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FINANCE
(30 ILCS 350/) Local Government Debt Reform Act.

(30 ILCS 350/1) (from Ch. 17, par. 6901)

Sec. 1. Short title. This Act shall be known and may be cited as the Local Government Debt Reform Act.
(Source: P.A. 85-1419.)

(30 ILCS 350/2) (from Ch. 17, par. 6902)

Sec. 2. Findings. The General Assembly finds: (a) There have been many and important changes in the market for and practices with respect to the issuance of bonds of local governmental units in recent years.

(b) Various provisions of the Illinois law are inconsistent and outdated.

(c) Many of these provisions result in additional costs for the citizens of the State of Illinois residing in local governmental units because of the sale and issuance of bonds at higher rates than would otherwise be necessary.

(d) The General Assembly deems it advisable and in the best interests of the residents of Illinois local governmental units to provide supplemental authority regarding the issuance and sale of bonds to accommodate such market practices and the provisions of current federal income tax law.
(Source: P.A. 85-1419.)

(30 ILCS 350/3) (from Ch. 17, par. 6903)

Sec. 3. Definitions. In this Act words or terms shall have the following meanings unless the context or usage clearly indicates that another meaning is intended.

(a) "Alternate bonds" means bonds issued in lieu of revenue bonds or payable from a revenue source as provided in Section 15.

(b) "Applicable law" means any provision of law, including this Act, authorizing governmental units to issue bonds.

(c) "Backdoor referendum" means the submission of a public question to the voters of a governmental unit, initiated by a petition of voters, residents or property owners of such governmental unit, to determine whether an action by the governing body of such governmental unit shall be effective, adopted or rejected.

(d) "Bond" means any instrument evidencing the obligation to pay money authorized or issued by or on behalf of a governmental unit under applicable law, including without limitation, bonds, notes, installment or financing contracts, leases, certificates, tax anticipation warrants or notes, vouchers, and any other evidences of indebtedness.

(e) "Debt service" on bonds means the amount of principal, interest and premium, if any, when due either at stated maturity or upon mandatory redemption.

(f) "Enterprise revenues" means the revenues of a utility or revenue producing enterprise from which revenue bonds may be payable.

(g) "General obligation bonds" means bonds of a governmental unit for the payment of which the governmental unit is empowered to levy ad valorem property taxes upon all taxable property in a governmental unit without limitation as to rate or amount.

(h) "Governing body" means the legislative body, council, board, commission, trustees, or any other body, by whatever name it is known, having charge of the corporate affairs of a governmental unit.

(h-5) "Governmental revenue source" means a revenue source that is either (1) federal or State funds that the governmental unit has received in some amount during each of the 3 fiscal years preceding the issuance of alternate bonds or (2) revenues to be received from another governmental unit under an intergovernmental cooperation agreement.

(i) "Governmental unit" means a county, township, municipality, municipal corporation, unit of local government, school district, special district, public corporation, body corporate and politic, forest preserve district, fire protection district, conservation district, park district, sanitary district, and all other local governmental agencies, including any entity created by intergovernmental agreement among any of the foregoing governmental units, but does not include any office, officer, department, division, bureau, board, commission, university, or similar agency of the State.

(j) "Ordinance" means an ordinance duly adopted by a governing body or, if appropriate under applicable law, a resolution so adopted.

(k) "Revenue bonds" means any bonds of a governmental unit other than general obligation bonds, but "revenue bonds" does include any debt authorized under Section 11-29.3-1 of the Illinois Municipal Code.

(l) "Revenue source" means a source of funds, other than enterprise revenues, received or available to be received by a governmental unit and available for any one or more of its corporate purposes.

(m) "Limited bonds" means bonds, excluding leases, notes, installment or financing contracts, certificates, tax anticipation warrants or notes, vouchers, and any other evidences of indebtedness, issued under Section 15.01 of this Act.

(Source: P.A. 92-879, eff. 1-13-03.)

(30 ILCS 350/4) (from Ch. 17, par. 6904)

Sec. 4. Powers supplemental. The provisions of this Act are intended to be supplemental and in addition to all other powers or authorities granted to any governmental unit, shall be construed liberally and shall not be construed as a limitation of any power or authority otherwise granted.

(Source: P.A. 85-1419.)

(30 ILCS 350/5) (from Ch. 17, par. 6905)

Sec. 5. Backdoor referendum procedure.

(a) Whenever applicable law provides that the authorization or the issuance of bonds, or the becoming effective of an ordinance providing for the authorization or issuance of bonds, may be subject to a backdoor referendum, the provisions of this Section may be used as an alternative to the specific procedures as otherwise set forth by applicable law.

(b) The governing body may adopt an authorizing ordinance describing briefly the authority under which bonds are proposed to be issued, the nature of the project or purpose to be financed, the estimated total costs of the project or purpose, including in such costs all items related to financing the project or purpose, and the maximum amount of bonds authorized to be issued to pay such costs. No further details or specifications are required in such authorizing ordinance. Such authorizing ordinance, along with any other notice as required by applicable law, including any notice as to the right of electors to file a petition and the number of voters required to sign any such petition, shall be published at least once in a newspaper of general circulation in the governmental unit. The governing body may, but is not required to, post the notice electronically on its World Wide Web pages. A petition may be filed after such publication or posting during the period as provided by applicable law; but upon the expiration of any such period without the filing of a petition meeting the requirements of the applicable law, the governing body shall be authorized to issue such bonds as if they had followed all necessary procedures set forth in such applicable law.

(c) If no petition meeting the requirements of applicable law is filed during the petition period, then the governing body may adopt additional ordinances or proceedings supplementing or amending the authorizing ordinance so long as the maximum amount of bonds as set forth in the authorizing ordinance is not exceeded and there is no material

change in the project or purpose described in the authorizing ordinance. Such additional ordinances or proceedings shall in all instances become effective immediately without publication or posting or any further act or requirement. The authorizing ordinance, together with such additional ordinance or proceedings, shall constitute complete authority for the issuance of such bonds under applicable law.

(d) If applicable law provides that notice alone shall be given to commence a backdoor referendum, the notice shall be published at least once in a newspaper of general circulation in the governmental unit. The governing body may, but is not required to, post the notice electronically on its World Wide Web pages.

(Source: P.A. 91-868, eff. 6-22-00.)

(30 ILCS 350/5.5)

Sec. 5.5. Notices.

(a) Whenever applicable law requires notice in connection with the issuance of bonds, the notice shall be sufficient if the notice appears above the name or title of the person required to give the notice.

(b) Whenever applicable law requires any notice of a hearing or meeting held in connection with the issuance of bonds to be supplied to the members of the governing body or news media, such notice may be supplied by facsimile transmission (commonly referred to as fax) or electronic transmission (commonly referred to as e-mail).

(Source: P.A. 92-879, eff. 1-13-03.)

(30 ILCS 350/6) (from Ch. 17, par. 6906)

Sec. 6. Costs of project or purpose. Whenever a governmental unit is authorized by applicable law to issue bonds without referendum pursuant to authority granted or mandate imposed to pay for some public purpose or facility, the public corporation may add to the estimate of costs and include in the authorized amount for such bonds and pay from bond proceeds an amount to provide for expenses of issuing such bonds, including underwriter's spread and costs of bond insurance or other credit enhancement, and also an amount to pay capitalized interest and provide a reserve fund as otherwise permitted by this Act.

(Source: P.A. 85-1419.)

(30 ILCS 350/7) (from Ch. 17, par. 6907)

Sec. 7. Reserves. A governing body may provide for a reserve fund solely for the payment of the principal of and interest on bonds. Bond proceeds may be used to provide such reserve fund.

(Source: P.A. 85-1419.)

(30 ILCS 350/8) (from Ch. 17, par. 6908)

Sec. 8. Coverage covenant. A governing body is authorized and may covenant and contract with the holders of revenue bonds to levy, charge and collect moneys pledged as security for the payment of revenue bonds in amounts sufficient to provide for the prompt payment of debt service and to provide an additional amount of money as coverage computed as a percentage of the amount of debt service scheduled to be payable in any given year.

(Source: P.A. 85-1419.)

(30 ILCS 350/9) (from Ch. 17, par. 6909)

Sec. 9. Provisions for interest.

(a) The proceeds of bonds may be used to provide for the payment of interest upon such bonds for a period not to exceed the greater of 2 years or a period ending 6 months after the estimated date of completion of the acquisition and construction of the project or accomplishment of the purpose for which such bonds are issued.

(b) In addition it shall be lawful for the governing body of any governmental unit issuing bonds to appropriate money for the purpose of paying interest on such bonds

during the period stated in subsection (a) of this Section. Such appropriation may be made in the ordinance authorizing such bonds and shall be fully effective upon the effective date of such ordinance without any further notice, publication or approval whatsoever.

(c) The governing body of any governmental unit may authorize the transfer of interest earned on any of the moneys of the governmental unit, including moneys set aside to pay debt service, into the fund of the governmental unit that is most in need of the interest. This subsection does not apply to any interest earned that has been earmarked or restricted by the governing body for a designated purpose. This subsection does not apply to any interest earned on any funds for the purpose of municipal retirement under the Illinois Pension Code and tort immunity under the Local Governmental and Governmental Employees Tort Immunity Act. Interest earned on those funds may be used only for the purposes authorized for the respective funds from which the interest earnings were derived.
(Source: P.A. 92-879, eff. 1-13-03.)

(30 ILCS 350/10) (from Ch. 17, par. 6910)

Sec. 10. General provisions. Bonds authorized by applicable law may be issued in one or more series, bear such date or dates, become due at such time or times within 40 years, except as expressly limited by applicable law, provided that notwithstanding any such express limitation bonds issued by Lockport High School, South Suburban Community College District No. 510, Elgin Community College District No. 509, or Kishwaukee Community College District No. 523 for the purpose of purchasing, constructing, or improving real property or paying claims against any such district incurred for the purpose of purchasing, constructing, or improving real property may become due within 25 years, bear interest payable at such intervals and at such rate or rates as authorized under applicable law, which rates may be fixed or variable, be in such denominations, be in such form, either coupon, registered or book-entry, carry such conversion, registration, and exchange privileges, be subject to defeasance upon such terms, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places within or without the State of Illinois, make provision for a corporate trustee within or without the State with respect to such bonds, prescribe the rights, powers and duties thereof to be exercised for the benefit of the governmental unit and the protection of the bondholders, provide for the holding in trust, investment and use of moneys, funds and accounts held under an ordinance, provide for assignment of and direct payment of the moneys to pay such bonds or to be deposited into such funds or accounts directly to such trustee, be subject to such terms of redemption with or without premium, and be sold in such manner at private or public sale and at such price, all as the governing body shall determine. Whenever such bonds are sold at price less than par, they shall be sold at such price and bear interest at such rate or rates such that either the true interest cost (yield) or the net interest rate, as may be selected by the governing body, received upon the sale of such bonds does not exceed the maximum rate otherwise authorized by applicable law. Except for an ordinance required to be published by applicable law in connection with a backdoor referendum, any bond ordinance adopted by a governing body under applicable law shall, in all instances, become effective immediately without publication or posting or any further act or requirement.
(Source: P.A. 96-787, eff. 8-28-09; 96-1077, eff. 7-16-10; 97-615, eff. 8-26-11.)

(30 ILCS 350/11) (from Ch. 17, par. 6911)

Sec. 11. Refundings and redemption premiums. Bonds may be refunded or advance refunded upon such terms as the governing body may set in accordance with this Act, for such term of years, not in excess of the maximum term of years permitted by applicable law for the bonds to be refunded, and in such principal amount, all as may be deemed necessary by the governing body. Revenue bonds may be issued to refund general obligation bonds or alternate bonds issued under this Act. General obligation bonds shall not be issued to refund revenue bonds or alternate bonds except as expressly permitted by applicable law. Any redemption premium payable upon the redemption of bonds may be payable from the proceeds of refunding bonds which may be issued for the purpose of refunding such bonds, from any other lawfully available source or from both proceeds and such other sources.

(Source: P.A. 90-306, eff. 8-1-97.)

(30 ILCS 350/12) (from Ch. 17, par. 6912)

Sec. 12. Invest in tax-exempts; joint investments. In addition to the authority otherwise available to invest funds, a governing body may authorize and upon such authorization the treasurer of any governmental unit may (i) invest proceeds of bonds or money on deposit in any debt service or reserve fund or account relating to bonds in obligations the interest upon which is tax-exempt under the provisions of Section 103 of the Internal Revenue Code of 1986, as now or hereafter amended, or any successor code or provision, subject to such tax-exempt obligations being rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and the political subdivisions thereof and (ii) join with the treasurers of other governmental units for the purpose of jointly investing the funds of which the treasurer has custody.

(Source: P.A. 96-964, eff. 7-2-10.)

(30 ILCS 350/13) (from Ch. 17, par. 6913)

Sec. 13. Certain pledges. A governmental unit may pledge, as security for the payment of its bonds, (1) revenues derived from the operation of any utility system or revenue producing enterprise, (2) moneys deposited or to be deposited into any special fund of the governmental unit, (3) grants or other revenues or taxes expected to be received by the governmental unit from the State or federal government, including taxes imposed by the governmental unit pursuant to grant of authority by the State, such as sales or use taxes or utility taxes, (4) special assessments to be collected with respect to a local improvement financed with the proceeds of bonds, or (5) payments to be made by another governmental unit pursuant to a service, user or other similar agreement with such governmental unit.

Any such pledge made by a governmental unit shall be valid and binding from the time such pledge is made. The revenues, moneys and other funds so pledged and thereafter received by the governmental unit shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and, subject only to the provisions of prior agreements, the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the governmental unit irrespective of whether such parties have notice thereof. Pursuant to any such pledge, a governmental unit may bind itself to impose rates, charges or taxes to the fullest extent permitted by applicable law. No ordinance, resolution, trust agreement or other instrument by which such pledge is created need be filed or recorded except in the records of the governmental unit.

The State Treasurer, the State Comptroller, the Department of Revenue, the Department of Transportation, the State Superintendent of Education, or any Regional Superintendent of Schools shall deposit or cause to be deposited any amount of grants or other revenues or taxes expected to be received by a qualified governmental unit from that official or entity that have been pledged to the payment of bonds of the qualified governmental unit, in accordance with the authorization of the qualified governmental unit, directly into a designated escrow account established by the qualified governmental unit at a trust company or bank having trust powers. The ordinance authorizing that disposition shall, within 10 days after adoption by the governing body of the qualified governmental unit, be filed with the official or entity having custody of the pledged grants or other revenues or taxes.

For the purposes of this Section, "qualified governmental unit" means a governmental unit (i) that has issued not less than $6,000,000 principal amount of bonds, including the principal amount of bonds to be secured by the deposit into the designated escrow account, during the 24 months preceding the adoption of the ordinance authorizing the deposit, (ii) whose bonds secured by the deposit into the designated escrow account are rated without regard to any credit enhancement within the 3 highest general rating classifications established by a rating service of nationally recognized expertise in rating bonds of states and political subdivisions of states, (iii) that has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association or the equivalent award from the Association of School Business Officials International during the 24 months preceding the adoption of the

ordinance authorizing the deposit, or (iv) that represents a population in excess of 300,000.
(Source: P.A. 91-868, eff. 6-22-00; 92-78, eff. 7-12-01.)

(30 ILCS 350/14) (from Ch. 17, par. 6914)
Sec. 14. Certain warrant provisions. Whenever applicable law permits a governmental unit to issue warrants in anticipation of taxes to be levied or other funds to be received, the governing body of such governmental unit may cause such warrants to have a specified due date reasonably calculated to be after the receipt of the taxes or other revenues anticipated, may designate and so cause such warrants to be general obligation bonds within the meaning of this Act, may provide for refunding warrants or general obligation bonds to refund such warrants should the taxes or other revenues to pay the same be delayed or insufficient to pay the same, and may provide for the separate levy of taxes, without limitation as to rate or amount, on all ad valorem taxable property within the governmental unit, to pay such warrants or refunding warrants or bonds. Nothing herein shall authorize the issuance of warrants in excess of the amount otherwise permitted by applicable law. The county collector shall deposit any amount of tax proceeds pledged to the payment of warrants of any governmental unit, in accordance with the authorization of such governmental unit, directly into a designated escrow account established by the governmental unit. The ordinance authorizing such disposition shall be filed with the county collector or collectors of the county or counties within which taxable property of the governmental unit is located. Warrants initially issued pursuant to this Act shall not be regarded as or included in any computation of indebtedness for the purpose of any statutory provision or limitation. General obligation bonds to refund warrants issued hereunder or refunding warrants may be issued without regard to existing indebtedness but upon being issued shall be included and regarded as indebtedness.
(Source: P.A. 85-1419.)

(30 ILCS 350/15) (from Ch. 17, par. 6915)
Sec. 15. Double-barrelled bonds. Whenever revenue bonds have been authorized to be issued pursuant to applicable law or whenever there exists for a governmental unit a revenue source, the procedures set forth in this Section may be used by a governing body. General obligation bonds may be issued in lieu of such revenue bonds as authorized, and general obligation bonds may be issued payable from any revenue source. Such general obligation bonds may be referred to as "alternate bonds". Alternate bonds may be issued without any referendum or backdoor referendum except as provided in this Section, upon the terms provided in Section 10 of this Act without reference to other provisions of law, but only upon the conditions provided in this Section. Alternate bonds shall not be regarded as or included in any computation of indebtedness for the purpose of any statutory provision or limitation except as expressly provided in this Section.

Such conditions are:

(a) Alternate bonds shall be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, alternate bonds shall be issued for the purposes for which such revenue bonds shall have been authorized. If issued payable from a revenue source in the manner hereinafter provided, which revenue source is limited in its purposes or applications, then the alternate bonds shall be issued only for such limited purposes or applications. Alternate bonds may be issued payable from either enterprise revenues or revenue sources, or both.

(b) Alternate bonds shall be subject to backdoor referendum. The provisions of Section 5 of this Act shall apply to such backdoor referendum, together with the provisions hereof. The authorizing ordinance shall be published in a newspaper of general circulation in the governmental unit. Along with or as part of the authorizing ordinance, there shall be published a notice of (1) the specific number of voters required to sign a petition requesting that the issuance of the alternate bonds be submitted to referendum, (2) the time when such petition must be filed, (3) the date of the prospective referendum, and (4), with respect to authorizing ordinances adopted on or after January 1, 1991, a statement that identifies any revenue source that will be used to pay debt service on the alternate bonds. The clerk or secretary of the

governmental unit shall make a petition form available to anyone requesting one. If no petition is filed with the clerk or secretary within 30 days of publication of the authorizing ordinance and notice, the alternate bonds shall be authorized to be issued. But if within this 30 days period, a petition is filed with such clerk or secretary signed by electors numbering the greater of (i) 7.5% of the registered voters in the governmental unit or (ii) 200 of those registered voters or 15% of those registered voters, whichever is less, asking that the issuance of such alternate bonds be submitted to referendum, the clerk or secretary shall certify such question for submission at an election held in accordance with the general election law. The question on the ballot shall include a statement of any revenue source that will be used to pay debt service on the alternate bonds. The alternate bonds shall be authorized to be issued if a majority of the votes cast on the question at such election are in favor thereof provided that notice of the bond referendum, if held before July 1, 1999, has been given in accordance with the provisions of Section 12-5 of the Election Code in effect at the time of the bond referendum, at least 10 and not more than 45 days before the date of the election, notwithstanding the time for publication otherwise imposed by Section 12-5. Notices required in connection with the submission of public questions on or after July 1, 1999 shall be as set forth in Section 12-5 of the Election Code. Backdoor referendum proceedings for bonds and alternate bonds to be issued in lieu of such bonds may be conducted at the same time.

(c) To the extent payable from enterprise revenues, such revenues shall have been determined by the governing body to be sufficient to provide for or pay in each year to final maturity of such alternate bonds all of the following: (1) costs of operation and maintenance of the utility or enterprise, but not including depreciation, (2) debt service on all outstanding revenue bonds payable from such enterprise revenues, (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such enterprise revenues, and (5) in each year, an amount not less than 1.25 times debt service of all (i) alternate bonds payable from such enterprise revenues previously issued and outstanding and (ii) alternate bonds proposed to be issued. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body to provide in each year, an amount not less than 1.25 times debt service of all alternate bonds payable from such revenue sources previously issued and outstanding and alternate bonds proposed to be issued. The 1.25 figure in the preceding sentence shall be reduced to 1.10 if the revenue source is a governmental revenue source. The conditions enumerated in this subsection (c) need not be met for that amount of debt service provided for by the setting aside of proceeds of bonds or other moneys at the time of the delivery of such bonds.

(c-1) In the case of alternate bonds issued as variable rate bonds (including refunding bonds), debt service shall be projected based on the rate for the most recent date shown in the 20 G.O. Bond Index of average municipal bond yields as published in the most recent edition of The Bond Buyer published in New York, New York (or any successor publication or index, or if such publication or index is no longer published, then any index of long-term municipal tax-exempt bond yields selected by the governmental unit), as of the date of determination referred to in subsection (c) of this Section. Any interest or fees that may be payable to the provider of a letter of credit, line of credit, surety bond, bond insurance, or other credit enhancement relating to such alternate bonds and any fees that may be payable to any remarketing agent need not be taken into account for purposes of such projection. If the governmental unit enters into an agreement in connection with such alternate bonds at the time of issuance thereof pursuant to which the governmental unit agrees for a specified period of time to pay an amount calculated at an agreed-upon rate or index based on a notional amount and the other party agrees to pay the governmental unit an amount calculated at an agreed-upon rate or index based on such notional amount, interest shall be projected for such specified period of time on the basis of the agreed-upon rate payable by the governmental unit.

(d) The determination of the sufficiency of enterprise revenues or a revenue source, as applicable, shall be supported by reference to the most recent audit of the governmental unit, which shall be for a fiscal year ending not earlier than 18 months previous to the time of issuance of the alternate bonds. If such audit does not adequately show such enterprise revenues or revenue source, as applicable, or if such enterprise revenues or revenue source, as applicable, are shown to be insufficient, then

the determination of sufficiency shall be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means the revenues will be greater than as shown in the audit. Whenever such sufficiency is demonstrated by reference to a schedule of higher rates or charges for enterprise revenues or a higher tax imposition for a revenue source, such higher rates, charges or taxes shall have been properly imposed by an ordinance adopted prior to the time of delivery of alternate bonds. The reference to and acceptance of an audit or report, as the case may be, and the determination of the governing body as to sufficiency of enterprise revenues or a revenue source shall be conclusive evidence that the conditions of this Section have been met and that the alternate bonds are valid.

(e) The enterprise revenues or revenue source, as applicable, shall be in fact pledged to the payment of the alternate bonds; and the governing body shall covenant, to the extent it is empowered to do so, to provide for, collect and apply such enterprise revenues or revenue source, as applicable, to the payment of the alternate bonds and the provision of not less than an additional .25 (or .10 for governmental revenue sources) times debt service. The pledge and establishment of rates or charges for enterprise revenues, or the imposition of taxes in a given rate or amount, as provided in this Section for alternate bonds, shall constitute a continuing obligation of the governmental unit with respect to such establishment or imposition and a continuing appropriation of the amounts received. All covenants relating to alternate bonds and the conditions and obligations imposed by this Section are enforceable by any bondholder of alternate bonds affected, any taxpayer of the governmental unit, and the People of the State of Illinois acting through the Attorney General or any designee, and in the event that any such action results in an order finding that the governmental unit has not properly set rates or charges or imposed taxes to the extent it is empowered to do so or collected and applied enterprise revenues or any revenue source, as applicable, as required by this Act, the plaintiff in any such action shall be awarded reasonable attorney's fees. The intent is that such enterprise revenues or revenue source, as applicable, shall be sufficient and shall be applied to the payment of debt service on such alternate bonds so that taxes need not be levied, or if levied need not be extended, for such payment. Nothing in this Section shall inhibit or restrict the authority of a governing body to determine the lien priority of any bonds, including alternate bonds, which may be issued with respect to any enterprise revenues or revenue source.

In the event that alternate bonds shall have been issued and taxes, other than a designated revenue source, shall have been extended pursuant to the general obligation, full faith and credit promise supporting such alternate bonds, then the amount of such alternate bonds then outstanding shall be included in the computation of indebtedness of the governmental unit for purposes of all statutory provisions or limitations until such time as an audit of the governmental unit shall show that the alternate bonds have been paid from the enterprise revenues or revenue source, as applicable, pledged thereto for a complete fiscal year.

Alternate bonds may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth in this Section, except that the term of the refunding bonds shall not be longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the refunded bonds.

Once issued, alternate bonds shall be and forever remain until paid or defeased the general obligation of the governmental unit, for the payment of which its full faith and credit are pledged, and shall be payable from the levy of taxes as is provided in this Act for general obligation bonds.

The changes made by this amendatory Act of 1990 do not affect the validity of bonds authorized before September 1, 1990.

(Source: P.A. 97-542, eff. 8-23-11.)

(30 ILCS 350/15.01)

Sec. 15.01. Limited bonds. A governmental unit is authorized to issue limited bonds payable from the debt service extension base, as defined in the Property Tax Extension Limitation Law, as provided in this amendatory Act of 1995. Bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park District Act for aquarium or

museum projects shall not be issued as limited bonds. A governmental unit issuing limited bonds authorized by this Section shall provide in the bond ordinance that the bonds are issued as limited bonds and are also issued pursuant to applicable law, other than this amendatory Act of 1995, enabling the governmental unit to issue bonds. This amendatory Act of 1995 shall not change the rate, amount, purposes, limitations, source of funds for payment of principal or interest, or method of payment or defeasance of the bonds that a governmental unit may issue under any applicable law; provided, that limited bonds that are otherwise to be issued as general obligation bonds may be payable solely from the debt service extension base. This amendatory Act of 1995 provides no additional authority to any governmental unit to issue bonds that the governmental unit is not otherwise authorized to issue by a law other than this amendatory Act of 1995.
(Source: P.A. 89-385, eff. 8-18-95; 89-449, eff. 6-1-96.)

(30 ILCS 350/16) (from Ch. 17, par. 6916)

Sec. 16. Levy for bonds. A governmental unit may levy a tax for the payment of principal of and interest on general obligation bonds or limited bonds at any time prior to March 1 of the calendar year during which the tax will be collected. The county clerk shall accept the filing of the ordinance levying such tax notwithstanding that such time is subsequent to the end of the calendar year next preceding the calendar year during which such tax will be collected. In extending taxes for general obligation bonds, the county clerk shall add to the levy for debt service on such bonds an amount sufficient, in view of all losses and delinquencies in tax collection, to produce tax receipts adequate for the prompt payment of such debt service.
(Source: P.A. 91-493, eff. 8-13-99.)

(30 ILCS 350/16.5)

Sec. 16.5. Proposition for bonds. For all elections held after July 1, 2000, the form of a proposition to authorize the issuance of bonds pursuant to either a referendum or backdoor referendum may be as set forth in this Section as an alternative to the form of proposition as otherwise set forth by applicable law. The proposition authorized by this Section shall be in substantially the following form:

Shall (name of governmental unit) (state purpose for the bond issue) and issue its bonds to the amount of $ (state amount) for the purpose of paying the costs thereof?

If a school district expects to receive a school construction grant from the State of Illinois pursuant to the School Construction Law for a school construction project to be financed in part with proceeds of a bond authorized by referendum, then the form of proposition may at the option of the school district additionally contain substantially the following language:

(Name of school district) expects to receive a school construction grant from the State of Illinois in the amount of $ (state amount) pursuant to the School Construction Law for the school construction project to be financed in part with proceeds of the bonds, based on (i) a grant entitlement from the State Board of Education and (ii) current recognized project costs determined by the Capital Development Board.

(Source: P.A. 91-868, eff. 6-22-00; 92-879, eff. 1-13-03.)

(30 ILCS 350/17) (from Ch. 17, par. 6917)

Sec. 17. Leases and installment contracts.

(a) Interest not debt; debt on leases and installment contracts. Interest on bonds shall not be included in any computation of indebtedness of a governmental unit for the purpose of any statutory provision or limitation. For bonds consisting of leases and installment or financing contracts, (1) that portion of payments made by a governmental unit under the terms of a bond designated as interest in the bond or the ordinance

authorizing such bond shall be treated as interest for purposes of this Section (2) where portions of payments due under the terms of a bond have not been designated as interest in the bond or the ordinance authorizing such bond, and all or a portion of such payments is to be used for the payment of principal of and interest on other bonds of the governmental unit or bonds issued by another unit of local government, such as a public building commission, the payments equal to interest due on such corresponding bonds shall be treated as interest for purposes of this Section and (3) where portions of payments due under the terms of a bond have not been designated as interest in the bond or ordinance authorizing such bond and no portion of any such payment is to be used for the payment of principal of and interest on other bonds of the governmental unit or another unit of local government, a portion of each payment due under the terms of such bond shall be treated as interest for purposes of this Section; such portion shall be equal in amount to the interest that would have been paid on a notional obligation of the governmental unit (bearing interest at the highest rate permitted by law for bonds of the governmental unit at the time the bond was issued or, if no such limit existed, 12%) on which the payments of principal and interest were due at the same times and in the same amounts as payments are due under the terms of the bonds. The rule set forth in this Section shall be applicable to all interest no matter when earned or accrued or at what interval paid, and whether or not a bond bears interest which compounds at certain intervals. For purposes of bonds sold at amounts less than 95% of their stated value at maturity, interest for purposes of this Section includes the difference between the amount set forth on the face of the bond as the original principal amount and the bond's stated value at maturity.

This subsection may be made applicable to bonds issued prior to the effective date of this Act by passage of an ordinance to such effect by the governing body of a governmental unit.

(b) Purchase or lease of property. The governing body of each governmental unit may purchase or lease either real or personal property, including investments, investment agreements, or investment services, through agreements that provide that the consideration for the purchase or lease may be paid through installments made at stated intervals for a period of no more than 20 years or another period of time authorized by law, whichever is greater; provided, however, that investments, investment agreements, or investment services purchased in connection with a bond issue may be paid through installments made at stated intervals for a period of time not in excess of the maximum term of such bond issue. Each governmental unit may issue certificates evidencing the indebtedness incurred under the lease or agreement. The governing body may provide for the treasurer, comptroller, finance officer, or other officer of the governing body charged with financial administration to act as counter-party to any such lease or agreement, as nominee lessor or seller. When the lease or agreement is executed by the officer of the governmental unit authorized by the governing body to bind the governmental unit thereon by the execution thereof and is filed with and executed by the nominee lessor or seller, the lease or agreement shall be sufficiently executed so as to permit the governmental unit to issue certificates evidencing the indebtedness incurred under the lease or agreement. The certificates shall be valid whether or not an appropriation with respect thereto is included in any annual or supplemental budget adopted by the governmental unit. From time to time, as the governing body executes contracts for the purpose of acquiring and constructing the services or real or personal property that is a part of the subject of the lease or agreement, including financial, legal, architectural, and engineering services related to the lease or agreement, the governing body shall order the contracts filed with its nominee officer, and that officer shall identify the contracts to the lease or agreement; that identification shall permit the payment of the contract from the proceeds of the certificates; and the nominee officer shall duly apply or cause to be applied proceeds of the certificates to the payment of the contracts. The governing body of each governmental unit may sell, lease, convey, and reacquire either real or personal property, or any interest in real or personal property, upon any terms and conditions and in any manner, as the governing body shall determine, if the governmental unit will lease, acquire by purchase agreement, or otherwise reacquire the property, as authorized by this subsection or any other applicable law.

All indebtedness incurred under this subsection, when aggregated with the existing indebtedness of the governmental unit, may not exceed the debt limits provided by applicable law.

(Source: P.A. 91-493, eff. 8-13-99; 91-868, eff. 6-22-00; 92-879, eff. 1-13-03.)

(30 ILCS 350/17.5)

Sec. 17.5. Bond authorization by referendum.

(a) Whenever applicable law provides that the authorization of or the issuance of bonds is subject to either a referendum or backdoor referendum, the approval, once obtained, remains (i) for 5 years after the date of the referendum or (ii) for 3 years after the end of the petition period for a backdoor referendum. However, whenever the applicable law provides that the authorization of or the issuance of bonds under the Water Pollution Control Loan Program or the Public Water Supply Loan Program, under Title IV-A of the Environmental Protection Act, is subject to either a referendum or backdoor referendum, the approval, once obtained, remains (i) for 7 years after the date of the referendum or (ii) for 5 years after the end of the petition period for a backdoor referendum. In the case of bonds authorized to be issued under the Downstate Forest Preserve District Act and approved by Lake County voters in a November 2008 referendum, the approval, once obtained, remains for 10 years after the date of the referendum.

(b) With respect to any bond approval under subsection (a), if, for any reason, the bonds are not issued because of a court action, then the time limits set forth under subsection (a) for the approval for the bonds is tolled during the time that the court action is pending. This subsection (b) applies to any bond issuance approved by referendum held on or after January 1, 2003 or by a backdoor referendum held on or after January 1, 2005.

(Source: P.A. 96-826, eff. 11-25-09; 97-364, eff. 8-15-11.)

(30 ILCS 350/18) (from Ch. 17, par. 6918)

Sec. 18. Recital. Bonds which are issued in part pursuant to this Act may contain a recital to that effect and any such recital shall be conclusive as against the governmental unit and the governing body thereof and any other person as to the validity of the bonds and as to their compliance with the provisions of this Act.

(Source: P.A. 85-1419.)

G.O.

2009

Escrow-Yes

CERTIFICATE

I, the undersigned, DO HEREBY CERTIFY that I am the duly qualified and acting Village Clerk of the Village of Franklin Park, Cook County, Illinois, and, as such I am the keeper of the records and files and am custodian of the seal of said Village.

I DO FURTHER CERTIFY that the foregoing is a complete, true, and correct copy of Ordinance No. 0910-G-24 entitled:

AN ORDINANCE PROVIDING FOR THE ISSUE OF NOT TO EXCEED $10,000,000 GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE), SERIES 2010, OF THE VILLAGE OF FRANKLIN PARK, COOK COUNTY, ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS

duly passed by not less than a majority of the Village President and Board of Trustees at its regular meeting held on February 16, 2010, approved by the Village President on said date, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto affixed my official seal, signature and the corporate seal this 16th day of February, 2010.

Village Clerk

(CORPORATE)
(SEAL)

RECEIVED BY
COOK CO. CLERKS OFFICE

FEB 25 2010

DAVID ORR
TAX EXTENSION DIVISION

Entered into bond book + 2010 + 2011 + 2012

RECEIVED BY
COOK CO. CLERKS OFFICE

FEB 25 2010

DAVID ORR
TAX EXTENSION DIVISION

ORDINANCE NO. 0910-G-24

AN ORDINANCE PROVIDING FOR THE ISSUE OF NOT TO EXCEED $10,000,000 GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE), SERIES 2010, OF THE VILLAGE OF FRANKLIN PARK, COOK COUNTY, ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

Passed by the Village President and Board of Trustees on the 16th day of February, 2010

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ORDINANCE NO. 0910-G-24

AN ORDINANCE PROVIDING FOR THE ISSUE OF NOT TO EXCEED $10,000,000 GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE), SERIES 2010, OF THE VILLAGE OF FRANKLIN PARK, COOK COUNTY, ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

WHEREAS, the Village of Franklin Park (the "Village") is a duly organized and existing municipality and a unit of local government of the State of Illinois operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto; and

WHEREAS, the Village President and Board of Trustees (the "Board") has considered and determined that it is advisable, necessary and in the best interest of the Village pay the costs of acquiring, rehabilitating and equipping a building for use as a police station (the "Police Station Project") and capital improvements including, building repairs and construction, equipment replacement, streets, curb and gutter, sidewalks, storm sewers, watermains, sanitary sewers throughout the Village (the "Street Paving Project") (collectively the "Project") in accordance with preliminary estimates of cost provided to the Board; and

WHEREAS, the Board has determined and does hereby determine that the Police Station Project and the Street Paving Project are lawful corporate purposes; and

WHEREAS, the estimated cost of the Project, including bond discount, bond issuance expenses, capitalized interest, financial, legal and other professional services related thereto, is not less than $10,000,000; and

WHEREAS, the Village has insufficient funds to pay costs of the Project and there exists a source of funds, other than enterprise revenues, namely all collections distributed to the Village from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailers Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future and as provided in the Local Government Debt Reform Act (the "Reform Act"), the Village is authorized to issue its General Obligation Bonds (Alternate Revenue Source) from such revenue source; and

WHEREAS, the costs of the Police Station Project and the Street Paving Project are expected to be defrayed by up to $10,000,000 of the proceeds of alternate bonds issued pursuant to the Reform Act; and

WHEREAS, it is necessary and for the best interests of the Village that the Project be undertaken, and in order to raise the funds required for such purpose, it will be necessary for the Village to borrow an amount not to exceed $10,000,000 and in evidence thereof to issue alternate bonds, being General Obligation Bonds (Alternate Revenue Source) payable from any revenue

source as provided by the Reform Act, in an aggregate principal amount not to exceed $10,000,000, all in accordance with the Reform Act; and

WHEREAS, the Village President and Board of Trustees, on January 4, 2010, passed Ordinance No. 0910-G-12 (the "Authorizing Ordinance"), authorizing the issuance of alternate bonds, being General Obligation Bonds (Alternate Revenue Source) payable from revenue sources as provided by the Reform Act (the "2010 Alternate Bonds") in an amount not to exceed $10,000,000 for the Project; and

WHEREAS, on January 7, 2010, the Authorizing Ordinance, which included therein a notice in the statutory form, was published in the *Franklin Park Herald-Journal*, being a newspaper published in and of general circulation in the Village, and an affidavit evidencing the publication of the Authorizing Ordinance and said notice has heretofore been presented to the Board and made a part of the permanent records of the Village; and

WHEREAS, no petition has ever been filed with the Village Clerk requesting that the question of the issuance of the 2010 Alternate Bonds for the Project be submitted to referendum; and

WHEREAS, the Project constitutes lawful corporate purposes within the meaning of the Reform Act; and

WHEREAS, the Board has been authorized to issue the 2010 Alternate Bonds to pay the cost of the Project to the amount of $10,000,000 in accordance with the provisions of the Reform Act and the Authorizing Ordinance; none of such bonds have heretofore been issued by the Village; and the Board hereby determines that it is necessary and advisable that there be issued at this time $10,000,000 of the authorized amount; and

WHEREAS, the 2010 Alternate Bonds to be issued will be payable from the Pledged Revenues and the Pledged Taxes, as herein defined; and

WHEREAS, the Board hereby determines that the Pledged Revenues will provide in each year to final maturity of the proposed 2010 Alternate Bonds an amount not less than 1.25 times debt service of the proposed 2010 Alternate Bonds, said series of bonds being the only series of alternate bonds payable from the Pledged Revenues; and

WHEREAS, such determination of the sufficiency of the Pledged Revenues is supported by reference to the most recent audit (the "Audit") of the Village, which is for a fiscal year ending not earlier than 18 months prior to the issuance of the 2010 Alternate Bonds, which Audit has been presented to and accepted by the Board and is now on file with the Village Clerk; and

WHEREAS, notice of a public hearing set for February 1, 2010 (the "Hearing") pursuant to the Bond Issue Notification Act was given on January 23, 2010 by publication at least once not less than 7 nor more than 30 days before the public hearing by publication in the *The Chicago Sun-Times*, the same being a newspaper of general circulation in the Village and was posted at least 48 hours prior to the Hearing at the principal office of the Village; and

WHEREAS, the Hearing was held on February 1, 2010, and at the Hearing, the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on February 1, 2010 and not less than 7 days have passed since the final adjournment of the hearing; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Tax Limitation Law"), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the Village, but provides that the definition of "aggregate extension" contained in Section 18-185 of the Tax Limitation Law does not include "extensions ... payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act;" and

WHEREAS, the County Clerk of Cook County, Illinois (the "County Clerk") is therefore authorized to extend and collect said direct annual ad valorem tax so levied for the payment of the 2010 Alternate Bonds for the Project without limitation as to rate or amount;

NOW, THEREFORE, Be It Ordained by the Village President and Board of Trustees of the Village of Franklin Park, Cook County, Illinois, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings assigned them unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

"Additional Bonds" means any alternate bonds issued in the future in accordance with the provisions of the Reform Act on a parity with and sharing ratably and equally in the Pledged Revenues with the 2010 Alternate Bonds.

"Alternate Bonds" means the Bonds and any Additional Bonds.

"Authorized Denominations" means $5,000 and integral multiples of $5,000.

"Board" means the Village President and Board of Trustees.

"Bond" or *"Bonds"* means one or more, as applicable, of the $10,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2010 authorized to be issued by this Ordinance.

"Bond Fund" means the Alternate Bond Fund created in Section 13 of this Ordinance.

"Bond Order" means that certain bond order, to be executed by the Village President, setting forth certain details of the Bonds as provided in this Ordinance.

"Bond Purchase Agreement" is described in Section 11 of this Ordinance.

"Bond Register" means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

"Bond Registrar" means the Village Treasurer, or a successor thereto designated as bond registrar.

"Book Entry Form" means the form of the Bonds as fully registered and available in physical form only to the Depository.

"Build America Bonds" means taxable bonds authorized by the Stimulus Act and as so designated pursuant to this Ordinance, the interest on which, but for Section 54AA of the Code, would be excludable from gross income of the owners thereof under the Code for federal income tax purposes.

"Business Day" means any day other than a day on which banks in Chicago, Illinois are required to be closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"County Clerk" means the County Clerk of Cook County, Illinois.

"Defeasance Obligations" means (a) direct and general full faith and credit obligations of the United States Treasury ("Directs"), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation.

"Defeased Bonds" means such bonds as are described and defined by such term in Section 20 of this Ordinance.

"Depository" means The Depository Trust Company or successor depository duly qualified to act as a securities depository and acceptable to the Village.

"Designated Officers" mean the officers of the Village as follows: Village President, Village Clerk, and Village Treasurer.

"Expense Account" means the account in the Project Fund established hereunder and further described by Section 15 of this Ordinance.

"Fiscal Year" means that twelve-calendar month period beginning on the first day of May of any calendar year and ending on the last day of April of the next succeeding calendar year.

"Global Book-Entry System" means the system for the initial issuance of the Bonds as described in Section 5.

"Municipal Code" means the Illinois Municipal Code (65 ILCS 5/1-1, *et seq.*), as supplemented and amended.

"Ordinance" or *"Bond Ordinance"* means this Ordinance No. 0910-G-24 passed by the Village President and Board of Trustees on the 16th day of February, 2010 and approved by the Village President on that date.

"Outstanding" when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid: provided, however, such term shall not include any of the Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, or other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds or Additional Bonds.

"Paying Agent" means the Village Treasurer, or a successor thereto designated as paying agent.

"Pledged Moneys" means the Pledged Revenues and the Pledged Taxes, as all of such terms are defined herein.

"Pledged Revenues" means all collections distributed to the Village from those taxes imposed by the State of Illinois pursuant to the Use Tax Act (35 ILCS 105/1, *et seq.*), the Service Use Tax Act (35 ILCS 110/1, *et seq.*), the Service Occupation Tax Act (35 ILCS 115/1, *et seq.*), Retailers Occupation Tax Act (35 ILCS 120/1, *et seq.*), each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future.

"Pledged Taxes" means the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

"Project" means the Police Station Project and the Street Paving Project as described and defined in the Preambles of this Ordinance.

"Project Account" means the account in the Project Fund established hereunder and further described by Section 15 of this Ordinance.

"Project Fund" means the Project Fund created in Section 15 of this Ordinance and consists of the Project Account and the Expense Account.

"Purchase Price" means the price to be paid by the Purchaser for the Bonds.

"Purchaser" means George K. Baum & Company, Chicago, Illinois.

"Qualified Build America Bonds" means Build America Bonds that are "qualified bonds" within the meaning of Section 54AA(g) of the Code, for which an issuer is entitled to apply to receive payments equal to 35% of the interest payable on such bonds on any interest payment date pursuant to Section 6431 of the Code.

"Rebate Fund" means the Rebate Fund authorized to be created in Section 14 of this Ordinance.

"Record Date" means the fifteenth day of the month next preceding any regular or other interest payment date occurring on the first day of any month and the fifteenth day preceding any interest payment date occasioned by the redemption of Bonds on other than the first day of a month.

"Reform Act" means the Local Government Debt Reform Act (30 ILCS 350/1, *et seq.*), as amended.

"Representations Letter" means such agreement or agreements by and among the Village, the Bond Registrar, and the Depository as shall be necessary to effectuate a book-entry system for the Bonds, and includes the Blanket Letter of Representations executed by the Village and the Depository.

"Rule" means Rule 15c2-12 as promulgated by the Securities and Exchange Commission, as amended.

"Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code.

"Stated Maturity" means, with respect to any Bond, the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity or otherwise.

"Stimulus Act" means the American Recovery and Reinvestment Act of 2010, Pub. L. No. 111-5, 123 Stat. 115 (2010), enacted February 17, 2009.

"Tax-exempt" means, with respect to all or any portion of the Bonds, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes, except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternate minimum tax on certain corporations.

"Term Bonds" means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as Term Bonds in the Bond Order.

"Village" means the Village of Franklin Park, Cook County, Illinois.

Definitions may also appear in the Preambles hereto or in specific sections, as appear below.

Section 2. Incorporation of Preambles. The Village President and Board of Trustees hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the Village for the Village to acquire and construct the Project for the public health, safety and welfare, and to issue the Bonds to enable the Village to pay the costs thereof.

Section 4. Bond Details. For the purpose of providing for the payment of costs of the Project, there shall be borrowed on the credit of and for and on behalf of the Village the sum not to exceed $10,000,000; and bonds of the Village in not to exceed such amount shall each be designated as provided in the Bond Order. The Bonds shall each be designated "General Obligation Bond (Alternate Revenue Source), Series 2010". The Bonds shall be in fully registered form, and may be in book entry form. The Bonds shall be dated as of a date (the "Dated Date") no earlier than the date of passage of this Ordinance and no later than their initial date of issuance as shall be set forth in a Bond Order; each Bond shall also bear its respective date of authentication; and the Bonds shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar. The Bonds shall become due or be subject to mandatory redemption (subject to right of prior redemption) on such date of each year as shall be designated as shall be set forth in the Bond Order. The Bonds shall bear interest at not greater than nine percent (9%) per annum if such Bonds are Tax-Exempt or thirteen percent (13%) per annum if such Bonds are Qualified Build America Bonds. The Bonds shall be in Authorized Denominations (but no single such bond shall represent principal maturing on more than one date). Each Bond shall bear interest from the later of its Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, commencing on a date within one year of the Dated Date, as shall be set forth in the Bond Order, and upon regular semiannual intervals thereafter, at the respective rates percent per annum provided, until the principal thereof shall be paid or duly provided for. So long as the Bonds are held in Book Entry Form, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer, in lawful money of the United States of America, as may be agreed in the Representations Letter; and if the Bonds are in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and mailed to the address of such registered owner as it appears on the Bond Register or at such other address as may be furnished in writing to the Bond Registrar. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The principal of the Bonds shall be payable upon presentation at the office designated for such purpose of the Bond Registrar.

Section 5. Global Book-Entry System. The Bonds of each series shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds bearing the same rate of interest. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in such name as may be provided by the Depository (the "Book Entry Owner") and, accordingly, in Book Entry Form as provided and defined herein. One of the Designated Officers is authorized to execute a Representations Letter or to utilize the provisions of an existing Representations Letter. Without limiting the generality of the authority given with respect to entering into a Representations Letter for the Bonds, it may contain

provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the Village nor the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, neither the Village nor the Bond Registrar shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as expressly provided in the Representations Letter, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein or in the Representations Letter, (b) the agreement among the Village and the Depository evidenced by the Representations Letter shall be terminated for any reason, or (c) the Village determines that it is in the best interests of the Village or of the beneficial owners of the Bonds or of any given series of the Bonds that they be able to obtain certificated Bonds; the Village shall notify the Depository of the availability of Bond certificates, and such Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The Village may determine at such time that such Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the Village, or such depository's agent or designee, but if the Village does not select such successor depository, then such Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 6. Execution; Authentication. The Bonds shall be signed by the manual or duly authorized facsimile signatures of the Village President and the Village Clerk and may have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Bond Registrar, but it shall not be

necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 7. Redemption. A. *Mandatory Redemption.* If so provided in the Bond Order, any Bonds may be issued as Term Bonds and be subject to mandatory redemption by operation of the Bond Fund, at a price of par, without premium, plus accrued interest to the date fixed for redemption, on such date of each year as may be provided in the Bond Order and in the amounts and subject to such provisions as shall be set forth in the Bond Order. Bonds subject to mandatory redemption shall be deemed to become due on the dates so subject to redemption and not at maturity, except for any remainder to be paid at maturity. The Village covenants that it will redeem any Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds and levy taxes accordingly. If the Village redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from Bond Moneys as hereinafter described, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirement as provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of payment on the Term Bonds as due at maturity or subject to mandatory redemption in any year as the Village shall at such time determine. If the Village redeems pursuant to optional redemption or purchases Term Bonds of any maturity and cancels the same from moneys other than Bond Moneys, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the amount of such Term Bonds as due at maturity or subject to mandatory redemption in any year as the Village shall at such time determine.

B. *Optional Redemption.* If so provided in the Bond Order, any Bonds may be subject to redemption prior to maturity at the option of the Village, in whole or in part on any date, at such times and at such optional redemption prices as may be provided in the Bond Order. If less than all of the Outstanding Bonds are to be optionally redeemed, the Bonds to be called shall be called in such principal amounts and from such maturities as may be determined by the Village and within any maturity in the manner hereinafter provided.

Section 8. Redemption Procedures. The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

A. *No Further Action for a Mandatory Redemption.* For a mandatory redemption, the Bond Registrar shall proceed to redeem Bonds without any further order or direction from the Village whatsoever.

B. *Optional Redemption.* For an optional redemption, the Village shall, at least 45 days prior to a redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the series of Bonds and the maturities of such series (and, if applicable, the scheduled mandatory redemptions affected) and principal amounts of Bonds to be redeemed.

C. *Selection of Bonds within a Maturity.*

(1) For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion. The Bond Registrar shall make such selection upon the earlier of advice from the Village that certain Bonds to be redeemed are Defeased Bonds or the time of the giving of official notice of redemption.

(2) Alternatively, if so provided in the Bond Order, for purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar pro-rata based upon the aggregate principal amount thereof then Outstanding; provided, however, that the portion of any Bond of a denomination of more than the minimum Authorized Denomination to be redeemed shall be in the principal amount of an Authorized Denomination and that, in selecting portions of such Bonds for redemption, the Bond Registrar shall treat each such Bond as representing that number of Bonds of said minimum Authorized Denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by said minimum Authorized Denomination. If the Bonds are held in Book Entry Form at the time of such redemption, the Village shall direct the Bond Registrar to instruct the Depository to select the specific Bonds within such maturity for redemption pro-rata among such Bonds. The Village and the Bond Registrar shall have no responsibility or obligation to insure that the Depository properly selects such Bonds for redemption.

D. *Official Notice of Redemption.* The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

(1) the redemption date;

(2) the redemption price;

(3) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;

(4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for the purpose by the Bond Registrar.

E. *Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

F. *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in paragraph E. immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

G. *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. In lieu of the foregoing official notice, so long as the Bonds are held in Book Entry Form, notice may be given as provided in the Representations Letter, and the giving of such notice shall constitute a waiver by the Depository and the Book Entry Owner, as registered owner, of the foregoing notice.

H. *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like series and tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

I. *Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

J. *Bonds to be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

K. *Additional Notice.* The Village agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rule Making Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the Village, (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and (4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the Village with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

L. *Bond Registrar to Advise Village.* As part of its duties hereunder, the Bond Registrar shall prepare and forward to the Village a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

Section 9. Registration of Bonds; Persons Treated as Owners. The Village shall cause the Bond Register for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office designated for such purpose of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office designated for such purpose of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like series and tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption. The execution by the Village of any fully registered Bond shall constitute full and

due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, the principal amount of Bonds of each series and maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such series and maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his (her) legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Section 10. Form of Bond. The Bond shall be in substantially the following form:

REGISTERED NO. **CUSIP** **REGISTERED $**

UNITED STATES OF AMERICA-STATE OF ILLINOIS-COUNTY OF COOK
VILLAGE OF FRANKLIN PARK
[TAXABLE] GENERAL OBLIGATION BOND
(ALTERNATE REVENUE SOURCE), SERIES 2010
[BUILD AMERICA BOND – DIRECT PAYMENT]

Interest Rate: % Final Maturity Date: Dated Date:

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that the Village of Franklin Park, Cook County, Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum on ____________ and ______________ each year, commencing _________________, until said Principal Amount is paid. The principal of this Bond is payable in lawful money of the United States of America at the principal office of the Village Treasurer (the "Paying Agent"). Payment of interest shall be made to the Registered Owner hereof as appearing on the Bond Register of the Village maintained by the Village Treasurer (the "Bond Registrar"), at the close of business on the 15th day next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

The Bonds due on ________________ are Term Bonds and are subject to mandatory redemption at a price of par and accrued interest, without premium, on the dates and in the amounts as follows:

Dates of Mandatory Redemption	Principal Amount

with $_________ remaining to be paid at maturity on _______________. Notice of mandatory redemption having been given as aforesaid, the portions of this Bond so to be redeemed shall, on the redemption dates, become due and payable at the redemption prices above specified, and from and after such dates (unless the Village shall default in the payment of the redemption price) such portions of this Bond shall cease to bear interest.

Bonds due on or after _______________ shall be subject to redemption prior to maturity at the option of the Village from any available funds, as a whole or in part, and if in part, in integral multiples of $5,000 in any order of their maturity as determined by the Village, and by lot within the maturity, on

_______________ and any date thereafter at par plus accrued interest to the date fixed for redemption.

This bond and the bonds of the series of which it forms a part (the "Bonds") are of an authorized issue in the aggregate principal amount of $10,000,000 of like dated date and tenor except as to the maturity, rate of interest and privilege of redemption and are issued pursuant to the applicable provisions of the Illinois Municipal Code and the Local Government Debt Reform Act of the State of Illinois (the "Reform Act"). The Bonds are issued for the purpose of paying the costs of the Police Station Project and the Street Paving Project as defined in Ordinance No. 0910-G-24, duly passed by the Village President and Board of Trustees (the "Board") on the 16th day of February, 2010 authorizing the Bonds (the "Bond Ordinance").

The Bonds are payable from (a) all collections distributed to the Village from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailers Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future (the "Pledged Revenues") and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes"), pledged hereunder by the Village as security for the Bonds (the Pledged Revenues and the Pledged Taxes are collectively the "Pledged Moneys").

The Bonds are issued pursuant to Ordinance No. 0910-G-12 passed by the Board on January 4, 2010 and by the Bond Ordinance, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents. This Bond does not and will not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bond, in which case the amount of the Bond then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from the Pledged Revenues for a complete Fiscal Year.

The Village reserves the right to issue Additional Bonds without limit from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; provided however, that no Additional Bonds shall be issued except in accordance with the provisions of the Reform Act.

This Bond may be transferred or exchanged, but only in the manner, subject to the limitations and upon payment of the charges as set forth in the Bond Ordinance.

Upon surrender for transfer or exchange of this Bond at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Bonds.

The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

For the prompt payment of this Bond, both principal and interest at maturity and upon mandatory redemption, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[The Village has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 (b) (3) of the Internal Revenue Code of 1986.]

It is hereby certified and recited that all acts, conditions, and things required to be done, precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes, and the segregation of all Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for said Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the Village of Franklin Park, Cook County, Illinois, by its Village President and Board of Trustees, has caused this Bond to be signed by the duly authorized manual or facsimile signatures of the Village President and Village Clerk of said Village, all as appearing hereon and as of the Dated Date as identified above.

______________________________ Village President

______________________________ Village Clerk

Date of Authentication:

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and Paying Agent: Village Treasurer,
Franklin Park, Illinois

This Bond is one of the Bonds described in the within mentioned Bond Ordinance.

Village Treasurer, as Bond Registrar

By ______________________________
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ___________

____

(Name and Address and Social Security or other identifying number of Assignee)
the within Bond and does hereby irrevocably constitute and appoint ______________________ as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ___________________________ ____________________________________

Signature of Assignee

Signature guaranteed: ______________________________

NOTICE: The signature to this assignment and transfer must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 11. Sale of the Bonds. The Village President and Village Treasurer are hereby authorized to proceed, without any further authorization or direction from the Board, to sell and deliver the Bonds upon the terms as determined by the Village President in the Bond Order subject to the limitations prescribed in this Ordinance. The Bonds hereby authorized shall be executed as provided in this Ordinance and in the Bond Order, and thereupon be deposited with the Village Treasurer who receives the taxes of the Village, and by said Village Treasurer delivered to the Purchaser, thereon upon receipt of the purchase price therefor, the same being the par value of the Bonds, minus any underwriter discount and any original issue discount plus accrued interest and premium to the date of delivery. The Village President is authorized to execute a Bond Purchase Agreement with the Purchaser with terms consistent with this Ordinance and the Bond Order. The Bonds may be sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Bond Purchase Agreement is in the best interests of the Village and that no person holding any office of the Village, either by election or appointment, is in any manner financially interested, either directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Bond Purchase Agreement; and the Bonds before being issued shall be registered and numbered, such registration being made in a book provided for that purpose, in which shall be entered into the record of the Ordinance authorizing the Board to borrow said money and a description of the bonds issued, including the number, date, to whom issued, amount, date of interest and when due.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds and before the Board at the time of the passage hereof is hereby ratified, approved and authorized; the execution and delivery of said final Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Bond Purchase Agreement, this Ordinance, said Preliminary Official Statement, said final Official Statement and the Bonds.

Section 12. Debt Limitation. The Bonds shall be payable from the Pledged Moneys and do not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds as set forth in Section ____ hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show the Bonds shall have been paid from the Pledged Revenues for a complete Fiscal Year.

Section 13. Series 2010 Alternate Bond Fund. There is hereby created a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the "Village of Franklin Park Series 2010 Alternate Bond Fund" (the "Bond Fund"). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Moneys for any of the Bonds. All payments with respect to the Bonds shall he made directly from the Bond Fund. There are hereby created two accounts of the Bond Fund, designated the Pledged Revenues Account and the Pledged Taxes Account. All Pledged Revenues to be applied to the payment of the Bonds shall be deposited to the credit of

the Pledged Revenues Account and all Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance.

Any Pledged Taxes received by the Village shall promptly be deposited into the Pledged Taxes Account of the Bond Fund. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Pledged Revenues Account of the Bond Fund.

There shall be credited to the Pledged Revenues Account of the Bond Fund and held, in cash and investments, on or before the first day of each month by the financial officer of the Village, without any further official action or direction, the Pledged Revenues. Each monthly deposit shall be a fractional amount of the interest becoming due on the next succeeding interest payment date on all Bonds and also a fractional amount of the principal becoming due on the next succeeding maturity date of all of the Bonds until there shall have been accumulated and held, in cash and investments, in the Pledged Revenues Account on or before the month preceding such maturity date of interest or maturity date of principal, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be set aside each month in the Pledged Revenues Account, the fraction shall be so computed that a sufficient amount will be set aside in said Account and will be available for the prompt payment of such principal of and interest on all Bonds and shall be not less than one-sixth of the interest becoming due on the succeeding interest payment date and not less than one-twelfth of the principal becoming due on the next succeeding principal payment date on all Bonds outstanding until there is sufficient money in said Account to pay such principal or interest, or both.

Credits to the Pledged Revenues Account need not be made at such time as there shall be a sufficient sum, held in cash and investments, in said Account to meet principal and interest requirements in said Account on the next two (2) succeeding debt service payment dates on the Bonds outstanding.

Section 14. Investments. Moneys on deposit in and to the credit of the Bond Fund shall be invested by the Village Treasurer, but only in investments then permitted under Illinois law. Such investments shall mature or be subject to redemption at the option of the holder thereof prior to the time when needed and may be sold from time to time by the Village Treasurer as funds may be needed for the purpose for which said Subaccount has been created. After making provision for the payment of any amount of excess arbitrage profits, as provided in the Code, attributable to investment earnings or profits to the hereinafter created Rebate Fund for the Outstanding Bonds, all earnings or profit on any funds so invested in the Bond Fund shall be retained therein.

Moneys in the Bond Fund shall be invested by the Village Treasurer, if necessary, in investments restricted as to yield, which investments may be in United States Treasury Obligations-State and Local Government Series, if available, and to such end the Village

Treasurer shall refer to any investment restrictions covenanted by the Village or any designated officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

Section 15. Use of Bond Proceeds; Project Fund; Project Account; Expense Account. From the amounts received upon sale of the Bonds, all principal proceeds shall be deposited into a special fund to be designated "Village of Franklin Park Series 2010 Alternate Project Fund (the "Project Fund"), hereby created, and disbursements shall be made from the Project Fund only for payment of costs of the Project and expenses of issuance of the Bond or otherwise incidental to the Bond or such Project, and for which the principal proceeds are hereby appropriated. The Project Fund shall consist of the Project Account and the Expense Account.

A. Accrued interest and premium, if any, received by the Village upon the sale of the Bonds shall be remitted by the Village Treasurer for deposit into the Bond Fund, and be used to pay first interest coming due on the Bonds.

B. The Village shall then allocate from the Bond proceeds the sum necessary for expenses incurred in the issuance of the Bonds which shall be deposited into an "Expense Account" to be maintained by the Village Treasurer and disbursed for such issuance expenses from time to time in accordance with usual Village procedures for the disbursement of funds, which disbursements are hereby expressly authorized. Moneys not disbursed from the Expense Account within six months shall be transferred by the Village for deposit in the hereinafter described Project Account, and any deficiencies in the Expense Account shall be paid by disbursement from the Project Account.

C. The balance of the proceeds derived from the sale of the Bonds shall be deposited into the Project Account, to be maintained by the Village Treasurer and disbursed for the purpose of paying the costs of the Project. Upon completion of the Project or the depletion of the Project Fund, whichever shall first occur, the Project Account and the Project Fund shall be closed. In the event that funds shall remain in the Project Fund, all such funds shall be transferred to the Pledged Revenues Account of the Bond Fund and shall be used to pay principal of and interest on the Bonds. Moneys to the credit of and on deposit in the Project Fund may be invested by the Village Treasurer with no further official action or direction by the Board in lawful investments as at the time permitted under Illinois law.

Section 16. Pledged Taxes; Tax Levy. For the purpose of providing necessary funds to pay the principal of and interest on the Bonds at maturity, and as provided in Section 15 of the Reform Act, there is hereby levied upon all taxable property within the Village, in the years for which any of the Bonds are Outstanding, a direct annual tax in amounts sufficient for that purpose and there be and there hereby is levied upon all of the taxable property in the Village the following direct annual taxes (the "Pledged Taxes"):

For the Year:	**A Tax Sufficient to Produce the Sum of:**
2009	$ 1,500,000
2010	$ 1,500,000
2011	$ 1,500,000
2012	$ 1,500,000
2013	$ 1,500,000
2014	$ 1,500,000
2015	$ 1,500,000
2016	$ 1,500,000
2017	$ 1,500,000
2018	$ 1,500,000
2019	$ 1,500,000
2020	$ 1,500,000
2021	$ 1,500,000
2022	$ 1,500,000
2023	$ 1,500,000
2024	$ 1,500,000
2025	$ 1,500,000
2026	$ 1,500,000
2027	$ 1,500,000
2028	$ 1,500,000

The Village Clerk is hereby directed to file with the County Clerk a certified copy of this Ordinance. It shall be the duty of the County Clerk to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the Village in connection with other taxes levied in said year for general and special purposes, in order to raise the respective amounts aforesaid and in said year such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general and special purposes of the Village, and when collected, the taxes hereby levied shall be placed to the credit of the Bond Fund. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal and interest on the Bonds.

Principal or interest maturing at any time when there are insufficient funds on hand from the Pledged Moneys to pay the same shall be paid from the general funds of the Village, and the fund from which such payment was made shall be reimbursed out of the Pledged Moneys when collected.

The Village covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remains outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy and the Village and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Section 17. Abatement of Pledged Taxes. As provided in the Reform Act, whenever the Pledged Revenues shall have been determined by the Village Treasurer to provide in any calendar year an amount not less than 1.25 times debt service of all outstanding Bonds in the next succeeding Bond Year and whenever the Pledged Revenues have been deposited in the Bond Fund in an amount sufficient to pay debt service on all outstanding Bonds in the next succeeding Bond Year, the Village Treasurer shall, prior to the time the Pledged Taxes levied in such calendar year are extended, direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement. To ensure that such moneys are available to abate the Pledged Taxes, the Village covenants to deposit monthly into the Bond Fund an amount equal to one-sixth (1/6) of the next scheduled interest payment and one-twelfth (1/12) of the next scheduled principal payment, as set forth in Section 13.

Section 18. Pledged Revenues; General Covenants. The Village covenants and agrees with the holders of the Alternate Bonds, that, so long as any Alternate Bonds remain Outstanding:

A. The Pledged Revenues are hereby pledged to the payment of the Alternate Bonds; and the Board covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of all of such bonds as are from time to time Outstanding Bonds and the provision of not less than an additional 0.25 times debt service thereon, all in accordance with Section 15 of the Reform Act.

B. The Village will punctually pay or cause to be paid from the Bond Fund the principal of, interest on, and premium, if any, to become due in respect to the Alternate Bonds in strict conformity with the terms of the Alternate Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

C. The Village will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part thereof, or upon any such funds in the hands of the Paying Agent, or which might impair the security of the Alternate Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

D. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Project, to the Pledged Revenues and to the Bond Fund. Such books of record and accounts shall at all times during business hours be

subject to the inspection of the holders of not less than ten per cent (10%) of the principal amount of the Outstanding Alternate Bonds or their representatives authorized in writing.

E. The Village will preserve and protect the security of the Alternate Bonds and the rights of the registered owners of the Alternate Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Alternate Bonds by the Village, the Alternate Bonds shall be incontestable by the Village.

F. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Alternate Bonds of the rights and benefits provided in this Ordinance.

G. As long as any Alternate Bonds are Outstanding, the Village will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes to the appropriate accounts of the Bond Fund. The Village covenants and agrees with the purchasers of the Alternate Bonds and with the registered owners thereof that so long as any Alternate Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Revenues. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and the Pledged Taxes may be collected as provided herein and deposited into the Bond Fund.

H. Once issued, the Alternate Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Reform Act.

Section 19. Additional Bonds. The Village reserves the right to issue Additional Bonds without limit, from time to time, payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenue with the Bonds; provided however, that no additional Bonds shall be issued except in accordance with the provisions of the Reform Act.

Section 20. Defeasance of the Bonds. Bonds which are no longer Outstanding Bonds shall cease to have any lien on or right to receive or be paid from Pledged Revenues or the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security for the Bonds in the Pledged Revenues or the Pledged Taxes.

If (a) the Bond is paid and canceled, (b) the Bond has matured and for which sufficient sums been deposited with the Paying Agent to pay all principal and interest due thereon, or (c) there are sufficient funds and Defeasance Obligations have been deposited with the Paying Agent or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on the Bond when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall no longer have the benefits of any covenant for the registered owner of the Bond as set forth herein as such relates to lien and

security of the outstanding Bond. All covenants relative to the tax-exempt status of the Bond; and payment, registration, transfer, and exchange; are expressly continued for the Bond whether outstanding or not.

Section 21. General Arbitrage Covenants. The Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bond) if taking, permitting or omitting to take such action would cause the Bonds to be arbitrage bonds or private activity bonds within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the Village is treated as the "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

The Village also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Village President and Board of Trustees hereby authorize the officials of the Village responsible for issuing the Bonds, the same being the Village President, Village Clerk and Village Treasurer of the Village, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the Village and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 22. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance and other documents executed by the Village which are designed to preserve the exclusion of interest in the Bonds from gross income under federal law need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any such provision is unnecessary to preserve the exemption from federal taxation.

Section 23. Continuing Disclosure Undertaking. The Village President is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") in substantially the same form as now before the Board, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, the official's execution thereof to

the Village President on advice of the Attorney for the Village, his approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Section.

Section 27. Registered Form. The Village recognizes that Section 149(j) of the Internal Revenue Code of 1986, as amended, requires the Bond to be issued and to remain in fully registered form in order that interest thereon not be includable in gross income for federal income tax purposes under laws in force at the time the Bond is delivered. The Village will not take any action to permit the Bond to be issued in, or converted into, bearer or coupon form.

Section 28. List of Registered Owners. The Bond Registrar shall maintain a list of the names and addresses of the owners of the Bond, and upon any transfer shall add the name and address of the new Registered Owner and eliminate the name and address of the transferor Registered Owner.

Section 29. Duties of Bond Registrar. In the event that the Village Treasurer is not the Bond Registrar, and if requested by the Bond Registrar, the Village President and Village Clerk are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder. Subject to modification by the express terms of any such agreement, the Bond Registrar agrees as follows:

(1) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(2) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential to the fullest extent permitted by law;

(3) to give notice of redemption of Bonds as provided herein;

(4) to cancel or destroy the Bonds when paid at maturity or submitted for exchange or transfer;

(5) to furnish the Village at least annually a certificate with respect to Bonds cancelled or destroyed; and

(6) to furnish the Village at least annually an audit confirmation of the amount of the Bonds paid, the amount of the Bonds outstanding, and payments made with respect to interest on the Bonds.

The Village Clerk is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

The Village covenants with respect to the Bond Registrar, and the Bond Registrar further covenants and agrees as follows:

(7) The Village shall at all times retain a Bond Registrar with respect to the Bond; it will maintain at the designated office of such Bond Registrar a place or places where the Bond may be presented for payment, registration, transfer or exchange; and it will require that the Bond Registrar properly maintain the Bond Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry.

(8) The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on the Bond, and by such execution the Bond Registrar shall be deemed to have certified to the Village that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Bond so authenticated. Any Bond Registrar shall be the agent of the Village and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bond.

(9) The Village may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the Village covenants and agrees that it will thereupon appoint a successor Bond Registrar. The Village shall give notice of any such appointment made by it to each registered owner of the Bond within twenty days after such appointment in the same manner, or as nearly the same as may be practicable, as for a redemption of the Bonds. Any Bond Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in Illinois, and having capital and surplus and undivided profits in excess of $10,000,000.

Section 30. Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the registered owner of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

Section 31. Supplemental Documents. The Village President, Village Clerk and Treasurer are hereby authorized to execute or attest such documents as necessary to carry out the intent of this Ordinance, the execution of such documents to constitute conclusive evidence of their approval and approval hereunder.

Section 32. Severability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 33. Repealer and Effective Date. All ordinances, resolutions, orders or parts thereof in conflict herewith be and the same are hereby repealed, and this ordinance shall be in full force and effect forthwith upon its passage and approval.

The ordinance was passed and deposited in the office of the Village Clerk of the Village of Franklin Park this 16th day of February, 2010.

TOMMY THOMSON, Village Clerk

APPROVED by me this 16th
day of February, 2010.

BARRETT F. PEDERSEN, Village President

VILLAGE OF FRANKLIN PARK, ILLINOIS

ANNUAL FINANCIAL REPORT
Year Ended April 30, 2010

VILLAGE OF FRANKLIN PARK, ILLINOIS

Year Ended April 30, 2010

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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois, (Village), as of and for the year ended April 30, 2010 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represents 100 percent and 100 percent, respectively, of the assets and revenues of the Pension Trust Funds for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund and the Firefighters' Pension Fund is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note 14 that were applied to restate the net assets and fund balances recorded at beginning of the year. In our opinion, such adjustments are appropriate and have been properly applied.

The schedule of funding progress, schedule of employer contributions, and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information, including the combining and individual fund financial statements and schedules as of and for the year ended April 30, 2010, as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2011

As management of the Village of Franklin Park ("Village"), we offer readers of the Village's financial statements this Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2010. As the MD&A is designed to focus on that year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. Comparative analysis with respect to the prior fiscal year is provided so that the reader may better discern the Village's financial dynamics.

FINANCIAL HIGHLIGHTS

The reader will notice that the accompanying audited financial statements for the fiscal year ending April 30, 2010 are dated some 14 months after the close of that year. Similarly, the village's FY 2009 statements were issued some 22 months after the end of that fiscal year. Thus, the village has issued two years' audited financial statements in a three month period, and is now and will remain current in its financial reporting.

The reason for these delays had to do with a combination of computer problems, poor record keeping and a general inattentiveness to the reporting function by prior village personnel. These latter two points are further evidenced by the fact that the last audit to be completed in a timely manner (i.e., within six months after the close of the fiscal year) was for FY 2003. This has changed.

Since assuming office in May of 2009, the new administration has been committed to (1) ascertaining the exact dimensions of the village's financial condition, (2) objectively reporting that condition to residents, vendors, investors and others with an interest in village finances and (3) remedying past practices and their deleterious effects on the village's financial health. The completion of the FY 2009 audit in March of this year enabled the achievement of the first two goals and constituted the initial step in achieving the third. The completion of the FY 2010 audit furthers these efforts.

Having taken office virtually at the close of FY 2009, the new administration had been operating under significant financial uncertainty until the completion of the FY 2009 audit, which afforded the first reliable insight into village finances. It also provided the information base necessary to begin rebuilding the village's financial health.

Aside from the lack of reliable financial data and all that that implies, two critical signs of financial distress were readily apparent and in need of immediate attention: a significantly negative general fund balance and a severe cash flow problem. The former was the result of a precipitous $21.7 million spend down of reserves that had stood at $16.3 million at the end of FY 1999. The latter was largely a result of this lack of reserves.

Among the more noteworthy changes to emerge from the FY 2010 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities declined from FY 2009 levels by $6.5 million while liabilities increased by $946 thousand, resulting in a decrease in net assets of $7.4 million. Revenues supporting governmental activities declined by $2.9 million from FY 2009, while expenditures declined by $7.8 million

- Assets employed in business-type activities increased by $791 thousand as liabilities increased $2.2 million. As a result, net business-type assets declined by $1.4 million. Business-type activity revenues declined by $1.3 million and expenditures declined by $1.1 million.

- Total Village assets decreased by $5.7 million from FY 2009, total liabilities increased by $3.3 million and resulting total net assets declined by $8.8 million. Total Village revenue decreased by $4.2 million and total Village expenditures declined by $8.8 million.

These changes are discussed further below. Meanwhile, at the fund level:

- Total governmental fund revenues slipped by $2.6 million from FY 2009 levels and governmental fund expenditures declined by $10.3 million.

- General fund revenues slipped by $1.5 million from FY 2009 levels while expenditures declined by $1.1 million. Largely as a result, general fund balance decreased by $84 thousand.

- Proprietary fund operating revenues slipped by $780 thousand from FY 2009 while operating expenses declined by $1.0 million. Village proprietary funds showed a net loss of $1.4 million, or slightly more than the $1.2 million of FY 2009.

These changes are described in more detail further below.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Governmental Activities reflect the Village's basic services, including administration, public safety and highways and streets. Property taxes, shared state taxes and local utility taxes finance the majority of these services. Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial

statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the working cash fund, both of which are considered to be major funds. Information from the Village's 21 other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains three proprietary, or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sanitary sewer and parking lot operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water fund and the sanitary sewer and parking lot funds, all of which are considered to be major funds of the Village, with the exception of the commuter parking lot fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS
The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

OTHER INFORMATION
In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS
The following table presents the condensed Statement of Net Assets (in millions) at April 30, 2010, with comparisons to April 30, 2009. This table takes into the consideration the prior period adjustment described in detail on Note 14 in the Notes to Financial Statements:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY10	FY09	FY10	FY09	FY10	FY09
Assets:						
Current assets	$ 25.6	$ 27.1	$ 2.6	$ 3.5	$ 28.2	$ 30.6
Non-current, non-capital assets	1.5	1.5	0.2	0.2	1.7	1.7
Capital assets	43.5	48.5	38.6	36.9	82.1	85.4
Total assets	$ 70.6	$ 77.1	$ 41.4	$ 40.6	$ 112.0	$ 117.7
Liabilities:						
Current liabilities	$ 22.3	$ 23.3	$ 6.3	$ 2.9	$ 28.6	$ 26.2
Long-term liabilities	33.8	31.9	23.0	24.2	56.8	56.1
Total liabilities	$ 56.1	$ 55.2	$ 29.3	$ 27.1	$ 85.4	$ 82.1
Net assets:						
Invested in capital assets, net,	$ 15.1	$ 19.6	$ 15.2	$ 12.4	$ 30.3	$ 32.0
Restricted	7.8	7.7	0.0	0.0	7.8	7.7
Unrestricted	(8.4)	(5.4)	(3.1)	1.1	(11.5)	(4.3)
Total net assets	$ 14.5	$ 21.9	$ 12.1	$ 13.5	$ 26.6	$ 35.4

Assets employed in governmental activities declined by $6.5 million largely due to a combination of a decrease of $5.0 million in the value of capital assets (mostly in depreciation expense), and a $1.2 million decrease in property tax receivables attributable to higher collection rates. Liabilities increased by $946 thousand, largely on the retirement of $470 thousand of bonds and an increase for OPEB liabilities. As a result, net governmental activity assets declined by $7.4 million.

Assets deployed in the service of business-type activities increased by $791 thousand as a $2.3 million decrease in cash and investments was offset by a $1.7 million increase in capital assets and a $1.2 million increase in internal balances. Business-type liabilities increased $2.2 million, largely on the inclusion of a cash overdraft liability (essentially an internally-financed deficit) of $2.5 million. Additionally, accounts receivable increased $231 thousand. These increases were largely offset by a decrease in non-current liabilities of $1.3 million. Overall, net business-type assets decreased by $1.4 million.

The following table reflects the condensed Statement of Activities (in millions) at April 30, 2010, with comparisons to April 30, 2009:

	Governmental Activities 2010	Governmental Activities 2009	Business-type Activities 2010	Business-type Activities 2009	Total Primary Government 2010	Total Primary Government 2009
Revenues						
Program revenues:						
Charges for services	$ 4.4	$ 4.0	$ 6.2	$ 7.0	$ 10.6	$ 11.0
Operating grants/contrib.	0.2	0.2	0.0	0.0	0.2	0.2
Capital grants/contributions	0.2	3.4	0.0	0.5	0.2	3.9
General revenues:						
Property taxes	14.9	12.8	0.0	0.0	14.9	12.8
Other taxes	8.4	9.9	0.0	0.0	8.4	9.9
Other	0.6	1.3	0.0	0.0	0.6	1.3
Total revenues	28.7	31.6	6.2	7.5	34.9	39.1
Expenses						
General government	6.9	6.5	0.0	0.0	6.9	6.5
Public safety	14.8	14.8	0.0	0.0	14.8	14.8
Highways and streets	7.8	17.3	0.0	0.0	7.8	17.3
Public health	1.8	1.7	0.0	0.0	1.8	1.7
Community development	2.3	1.8	0.0	0.0	2.3	1.8
Building department	1.0	1.0	0.0	0.0	1.0	1.0
Interest on long-term debt	1.5	0.7	0.0	0.0	1.5	0.7
Water	0.0	0.0	5.3	5.5	5.3	5.5
Sewer	0.0	0.0	2.4	3.2	2.4	3.2
Commuter parking lot	0.0	0.0	0.0	0.0	0.0	0.0
Total expenses	36.1	43.9	7.7	8.7	43.8	52.6
Change in net assets	$ (7.4)	$ (12.3)	$ (1.5)	$ (1.2)	$ (8.9)	$ (13.5)

During FY 2010, national economic conditions continued to impact Village finances. Specifically, revenues from governmental activities declined further from FY09 levels by $2.9 million, or 9.2%. The one bright spot was property tax revenue, which rose $2.1 million, or 16.0%, on a year-over-year basis. To a large extent this was attributable to additional revenues from the non-abatement of several property tax levies, which mitigated an 8.2% contraction in the Village's tax base, itself due to prevailing economic conditions.

Beyond the $3.2 million decrease in grant funding however, economically sensitive tax revenues, such as sales and income, slid by $1.5 million, or 15.2%, as discussed further in the immediately following section. Business-type activity revenue also declined, by $1.2 million, or 16.0% as water and sewer revenue decreased due to lower corporate demand and lower rates of collection. As a result, total Village revenues decreased by $4.2 million, or 10.7%.

Governmental activity expenses were cut by $7.8 million, or 17.8%, largely because of a $9.7 million reduction in highway and street expenditures due to the completion of the Grand Avenue underpass, and a $952 thousand decrease in public safety expenditures that was achieved primarily through attrition. Similarly, water and sewer expenses declined $1.2 million because of the previously-mentioned lower demand for water. Overall, expenses declined by $8.8 million, or 16.7%. As a result of these expenditure declines, the change in net Village assets was ($8.9) million.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance (in millions) at April 30, 2010, with comparisons to April 30, 2009:

	General Corporate Fund		Working Cash Fund		Other Governmental Funds		Total Governmental Funds	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues								
Property taxes	$ 9.3	$ 8.8	$ 0.1	$ 0.2	$ 5.5	$ 3.8	$ 14.9	$ 12.8
Other taxes.	7.9	8.9	-	-	0.5	0.6	8.4	9.5
Licenses, permits, fees	1.3	1.9	-	-	0.0	0.0	1.3	1.9
Grants	0.2	0.2	-	-	0.2	3.4	0.4	3.6
Other revenue	6.0	1.1	-	-	0.0	0.1	6.0	1.2
Fines & forfeitures	0.9	0.5	-	-	0.5	0.1	1.4	0.6
Investment income	0.0	0.0	-	0.1	0.0	0.0	0.0	0.1
Charges for services	0.9	1.2	-	-	0.8	0.4	1.7	1.6
Total revenues	21.1	22.6	0.1	0.3	7.5	8.4	28.7	31.3
Expenditures								
General government	4.9	5.5	-	-	1.4	0.2	6.3	5.7
Public safety	12.1	12.2	-	-	0.4	0.4	12.5	12.6
Highways and streets	1.9	1.7	-	-	0.3	9.1	2.2	10.8
Public health	0.3	0.2	-	-	1.5	1.5	1.8	1.7
Community development	0.5	0.6	-	-	2.4	1.2	2.9	1.8
Building department	0.9	0.9	-	-	0.0	0.0	0.9	0.9
Debt service	0.0	0.0	-	-	2.0	1.5	2.0	1.5
Capital outlay	0.8	1.3	-	-	0.3	3.6	1.1	4.9
Total expenditures	21.3	22.4	-	-	8.3	17.5	29.6	39.9
Excess (deficiency) of revenues over (under) expenditures	(0.2)	0.2	0.1	0.3	(0.8)	(7.1)	(0.9)	(8.6)
Other sources (uses)	0.1	(0.6)	-	-	0.4	(0.0)	0.5	(0.6)
Change in net assets	$ (0.1)	$ (0.4)	$ 0.1	$ 0.3	$ (0.4)	$ (7.1)	$ (0.4)	$ (9.2)

Both general and total governmental fund revenues declined from FY 2009 levels, largely for the reasons cited earlier with respect to the economy's ongoing effects. While property tax revenues came into the general fund some $2.1 million stronger than in the previous year, literally all other general fund tax revenues declined, as shown in the following table.

Tax	FY 2009	FY 2010	$ Change	% Change
Sales	$ 2.6	$ 2.4	$ (0.2)	(9.2)%
Income	1.7	1.5	(0.2)	(12.2)%
Utility	2.3	2.1	(0.2)	(10.5)%
Other	2.2	1.9	(0.3)	(13.3)%
Total	$ 8.8	$ 7.9	$ (0.9)	(10.2)%

Indeed, the only general fund revenue source to increase from FY 2009 levels, other than property taxes were fines and forfeitures, which increased by $409 thousand, or 77.0%. At the total governmental funds

level, the overall revenue picture was similar, albeit with an increase of $221 thousand, or 14.5% in charges for services due to the Village commencing refuse collection services.

PROPRIETARY FUNDS

The following table presents the condensed Statement of Revenues, Expenditures and Changes in Fund Net Assets for the Village's proprietary funds (in millions) at April 30, 2010, with comparisons to April 30, 2009. Because of space considerations, results for the Commuter Parking Lot fund are not shown separately, but are included in the amounts shown in the Total column.

	Water Fund		Sewer Fund		Total Proprietary Funds	
	2010	2009	2010	2009	2010	2009
Operating revenues						
Charges for services	$ 4.0	$ 4.4	$ 2.1	$ 2.5	$ 6.2	$ 7.0
Other revenue.	0.0	0.0	0.0	0.0	0.0	0.0
Total operating revenues	4.0	4.4	2.1	2.5	6.2	7.0
Operating expenses						
Administration	1.3	1.8	0.4	1.4	1.7	3.1
Water purchases	2.7	2.2	0.0	0.0	2.7	2.2
Repairs & maintenance	0.3	0.4	0.3	0.3	0.6	0.7
Supplies & services	0.4	0.7	0.1	0.0	0.5	0.8
Depreciation	0.5	0.4	0.6	0.5	1.1	0.9
Total operating expenses	5.2	5.5	1.4	2.2	6.6	7.7
Operating income (loss)	(1.2)	(1.1)	0.7	0.3	(0.4)	(0.7)
Non-operating revenues (expenses)						
Interest expense	0.0	0.0	(0.9)	(1.0)	(0.9)	(1.0)
Other, net	0.0	0.0	0.0	0.5	0.0	0.5
Total non-operating revenues (expense)	0.0	0.0	(0.9)	(0.5)	(0.9)	(0.5)
Net income (loss)	$ (1.2)	$ (1.0)	$ (0.2)	$ (0.2)	$ (1.3)	$ (1.2)

Proprietary fund revenues fell by $800 thousand, as the Village experienced 14.4% lower demand for water (as mentioned above) due both to the economy and a change in the way it charges for water and sewer services, the latter of which resulted in a relatively high number of refunds for prior years' service.

Additionally, collection rates lagged as evidenced by an increase in receivables of $232 thousand on a decline in revenue of $782 thousand. These factors effectively netted to a 9.4% decrease in water sales. As water and sewer billing are related by formula (with a 65/35 split, respectively), sewer sales experienced essentially the same decline. All in all, proprietary fund revenues declined by $782 thousand, or 11.1%.

On the expense side, the purchase of water from the City of Chicago actually increased by $430 thousand, or 19.2%, largely because of a 14.2% increase in rates charged by the city. Nevertheless, overall proprietary fund operating expenses declined by $1.1 million (14.8%) led by administrative costs, which declined by $1.5 million, or 46.9%, largely on the reduction of $1.1 million in bad debt expense from FY 2009, which was the point at which accumulated receivables were finally written off.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed General Fund Budgetary Comparison Schedule (in millions):

	Adopted Budget	Actual	Variance
Revenues			
Taxes	$ 19.4	$ 17.2	$ (2.2)
Licenses, permits, fees	2.4	1.3	(1.1)
Fines and forfeitures	0.8	0.9	0.1
Charges for services	1.2	0.9	(0.3)
Other	1.7	0.8	(0.9)
Total	25.5	21.1	(4.4)
Expenditures			
Current	22.3	20.5	1.8
Debt service	0.0	0.0	(0.0)
Capital outlay	1.3	0.8	0.4
Total	23.5	21.3	2.2
Change in fund balance	$ 2.0	$ (0.2)	$ (2.2)

Actual revenues fell short of budget by approximately $4.4 million while actual expenditures came in under budget by $2.2 million. Taken together, this resulted in an overall negative budget variance approximating $2.2 million.

On the revenue side, virtually all sources fell short of budget, which was directly related to macroeconomic trends well beyond the Village's control. Among these are sales, income and utility taxes as well as license, permit and fee revenues (collectively accounting for a negative variance of $2.2 million). Other, traditionally more stable sources missed budget as well, in part also because of macroeconomics, including property taxes (off by $703 thousand) grant revenue ($658 thousand) and other revenue and taxes ($562 thousand).

On the expenditure side, generally conservative spending policies resulted in a positive variance of $1.8 million, as all but public safety and community development expenditures came in under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2010, the Village had capital asset investments as follows:

Capital Assets

Governmental Activities
Change in Capital Assets
(in millions)*

	Balance at May 1, 2009	Net Additions (Deletions)	Balance at April 30, 2010
Non-depreciable assets:			
Land/CIP	$ 12.9	$ (2.6)	$ 10.3
Depreciable assets:			
Infrastructure	124.0	3.6	127.6
Buildings and improvements	5.6	0.1	5.7
Vehicles/furniture/fixtures	5.7	0.3	6.0
Accumulated depreciation	(99.7)	(6.4)	(106.2)
Totals	$ 48.5	$ (5.0)	$ 43.5

Assets deployed in the service of governmental activities decreased by $5.0 million. Significant additions included the purchase, for $1.1 million, of property in one of the Village's TIF's, infrastructure additions of $3.6 million (due to the completion of the Seymour Avenue reconstruction project) and the addition of $401 thousand of miscellaneous equipment and improvements. This was offset by $6.4 million in depreciation expense, the net completion of $2.9 million of construction in progress and the sale of land for $851 thousand.

See Note 3 in the Notes to Financial Statements for more details.

Business-Type Activities
Change in Capital Assets
(in millions)

	Balance at May 1, 2009	Net Additions (Deletions)	Balance at April 30, 2010
Non-depreciable assets:			
Land/CIP	$ 0.6	$ (0.3)	$ 0.2
Depreciable assets:			
Water/sewer system	46.5	2.8	49.3
Storage reservoir/pump	5.0	0.2	5.1
Buildings and improvements	1.9	0.2	2.1
Vehicles and equipment	2.8	0.0	2.8
Accumulated. depreciation	(19.9)	(1.1)	(21.0)
Totals	$ 36.9	$ 1.7	$ 38.6

Business-type capital assets increased by $1.7 million, largely on the addition of $2.7 million in water system infrastructure improvements and an additional $404 thousand in miscellaneous equipment purchases and building improvements. This was offset by depreciation expense of $1.1 million and the net completion of $330 thousand of construction in progress.

DEBT ADMINISTRATION

At April 30, 2010, the Village had outstanding debt as follows:

G.O. Refunding Bonds of 2003	$ 235,000
G.O. Alternate Revenue Bonds of 2004A	6,215,000
G.O. Alternate Revenue Bonds of 2004B	16,385,000
G.O. Alternate Revenue Bonds of 2005A	3,965,000
G.O. Alternate Revenue Bonds of 2006	9,500,000
G.O. Alternate Revenue Bonds of 2007	7,860,000
Deferred Premium (Discount), Net	1,679,785
Loans Payable	6,483,112
Leases Payable	1,102,840
Compensated Absences	1,144,535
Net Pension Obligation	2,373,502
Post Employment Benefits	3,090,062
Total	$ 60,033,836

See Note 4 in the Notes to Financial Statements for more detail.

ECONOMIC FACTORS

With about two thirds of its tax base comprised of industrial property, the Village is the fourth largest manufacturing center in the state. This, combined with its essentially blue collar character makes the Village highly susceptible to economic cyclicality. It is not surprising then to note that the current economic environment has had important effects on the Village. This is evident in the almost uniform declines in virtually all economically sensitive revenue sources as well as the aforementioned 8.2% contraction in the tax base and declines in water and sewer revenue. Village management has taken several difficult but necessary steps to weather the storm. These are detailed in Note 14.

At this writing, management anticipates that the current sluggish economic climate will persist over the coming year or more, though it is also anticipated that revenue declines are at or near bottom. At sharp variance with these guardedly optimistic expectations is the state's financial plight, which imparts a significant level of uncertainty to the Village's financial fortunes, and the effective "jobless" nature of the recovery, the latter of which will continue to affect our residents' financial stability.

All that having been said, the Village's manufacturing character is a strength as well as weakness. In addition, its location adjacent to O'Hare International Airport and proximity to one of the largest rail yards in the nation will allow it to recover more quickly once the economic recovery begins to gain steam. Further, ongoing development at O'Hare holds several benefits for the Village, including a new toll way interchange that could provide a significant boost to economic development activities.

FURTHER INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Office of the Comptroller, Village of Franklin Park, 9500 Belmont Avenue, Franklin Park, IL 60131.

The Village of Franklin Parks' police and fire pension funds issue separate financial statements that can be obtained by contacting the Office of the Treasurer, at the above address.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
April 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash	$ 13,126,717	$ 125,841	$ 13,252,558
Investments	1,785,515	-	1,785,515
Property taxes receivable	8,394,361	-	8,394,361
Accrued Interest	330	-	330
Accounts receivable	2,763,886	954,938	3,718,824
Other assets	1,165,653	-	1,165,653
Internal balances	(1,600,000)	1,600,000	-
Non-current			
Assets held for resale	837,320	-	837,320
Unamortized bond costs	655,053	152,639	807,692
Capital assets not being depreciated	10,340,098	235,981	10,576,079
Capital assets being depreciated, net	33,115,581	38,320,765	71,436,346
Total assets	70,584,514	41,390,164	111,974,678
Liabilities			
Current			
Cash overdraft liability	5,798,633	2,535,080	8,333,713
Accounts payable	3,785,056	1,540,225	5,325,281
Accrued payroll	255,522	22,056	277,578
Accrued interest payable	423,551	321,659	745,210
Deferred property tax revenue	8,328,794	-	8,328,794
Other deferred revenue	229,525	-	229,525
Due to pension funds	114,288	-	114,288
Deposits payable	11,000	-	11,000
Short term loans payable	2,000,000	-	2,000,000
Compensated absences payable	701,055	61,946	763,001
Current portion - bonds payable	520,000	840,000	1,360,000
Current portion - leases payable	140,637	161,370	302,007
Current portion - loans payable	-	821,603	821,603
Non-current			
Compensated absences payable	381,534	-	381,534
Bonds payable	27,774,525	16,705,260	44,479,785
Leases payable	457,203	343,630	800,833
Loans payable	-	5,661,509	5,661,509
Net pension obligation	2,373,502	-	2,373,502
Net OPEB obligation	2,816,064	273,998	3,090,062
Total liabilities	56,110,889	29,288,336	85,399,225
Net assets			
Invested in capital assets, net of related debt	15,082,839	15,183,634	30,266,473
Restricted assets			
Highways and streets	3,556,754	-	3,556,754
Community development	2,728,045	-	2,728,045
Debt service	1,549,809	-	1,549,809
Unrestricted	(8,443,822)	(3,081,806)	(11,525,628)
Total net assets	$ 14,473,625	$ 12,101,828	$ 26,575,453

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Total
Primary government							
Governmental activities							
General government	$ 6,860,507	$ 897,771	$ 11,613	$ -	$ (5,951,123)		$ (5,951,123)
Public safety	14,836,168	2,276,909	204,739	-	(12,354,520)		(12,354,520)
Highway and street	7,812,070	-	-	209,896	(7,602,174)		(7,602,174)
Public health	1,827,272	514,558	-	-	(1,312,714)		(1,312,714)
Community development	2,272,932	22,828	-	-	(2,250,104)		(2,250,104)
Building department	998,682	686,919	-	-	(311,763)		(311,763)
Interest on long-term debt	1,518,439	-	-	-	(1,518,439)		(1,518,439)
Total government activities	36,126,070	4,398,985	216,352	209,896	(31,300,837)		(31,300,837)
Business-type activities							
Water	5,294,989	4,028,559	-	-		$ (1,266,430)	(1,266,430)
Sewer	2,374,980	2,141,395	-	30,204		(203,381)	(203,381)
Commuter parking lot	8,986	53,717	-	-		44,731	44,731
Total business-type activities	7,678,955	6,223,671	-	30,204		(1,425,080)	(1,425,080)
Total primary government	$ 43,805,025	$ 10,622,656	$ 216,352	$ 240,100	(31,300,837)	(1,425,080)	(32,725,917)
General revenues							
Taxes							
Property taxes, levied for general purposes					14,859,858	-	14,859,858
Public service taxes							
Sales tax					2,403,228	-	2,403,228
Income tax					1,474,908	-	1,474,908
Utility tax					2,073,897	-	2,073,897
Other taxes					2,458,094	-	2,458,094
Unrestricted investment earnings					8,996	8,255	17,251
Miscellaneous revenues					607,818	8,289	616,107
Total general revenues					23,886,799	16,544	23,903,343
Change in net assets					(7,414,038)	(1,408,536)	(8,822,574)
Net assets - beginning as restated					21,887,663	13,510,364	35,398,027
Net assets - ending					$ 14,473,625	$ 12,101,828	$ 26,575,453

See accompanying notes to financial statements.

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2010

	Major Funds			
	General Corporate Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Assets				
Cash	$ -	$ 3,909,350	$ 9,217,367	$ 13,126,717
Investments	-	-	1,785,515	1,785,515
Property taxes receivable	6,332,675	-	2,061,686	8,394,361
Accrued interest	-	-	330	330
Accounts receivable	2,525,335	-	238,551	2,763,886
Other assets	1,165,653	-	-	1,165,653
Interfund receivables	680,205	685,000	1,121,383	2,486,588
Total assets	$ 10,703,868	$ 4,594,350	$ 14,424,832	$ 29,723,050
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 2,880,027	$ -	$ 2,918,606	$ 5,798,633
Accounts payable	1,362,394	-	2,422,662	3,785,056
Accrued payroll	251,330	-	4,192	255,522
Compensated absences payable	701,055	-	-	701,055
Deferred property tax revenue	6,283,584	-	2,045,210	8,328,794
Other deferred revenue	660,659	-	-	660,659
Deposits payable	11,000	-	-	11,000
Due to pension funds	114,288	-	-	114,288
Interfund payables	1,200,000	-	2,886,588	4,086,588
Short term loans payable	2,000,000	-	-	2,000,000
Total liabilities	15,464,337	-	10,277,258	25,741,595
Fund balances				
Reserved for interfunds	680,205	685,000	1,121,383	2,486,588
Reserved for public safety	-	-	742,781	742,781
Reserved for highway and streets	-	-	3,556,754	3,556,754
Reserved for community development	-	-	2,728,045	2,728,045
Reserved for debt service	-	-	1,549,809	1,549,809
Reserved for capital projects	-	-	313,589	313,589
Unreserved	(5,440,674)	-	-	(5,440,674)
Unreserved - special revenue funds	-	3,909,350	(3,533,130)	376,220
Unreserved - debt service funds	-	-	(1,673,389)	(1,673,389)
Unreserved - capital project funds	-	-	(658,268)	(658,268)
Total fund balances	(4,760,469)	4,594,350	4,147,574	3,981,455
Total liabilities and fund balances	$ 10,703,868	$ 4,594,350	$ 14,424,832	$ 29,723,050

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2010

Total fund balances - governmental funds		$ 3,981,455
Amounts reported for governmental activities in the net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	149,614,774	
Accumulated depreciation	(106,159,095)	
Net capital assets		43,455,679
Some assets reported in governmental funds do not increase fund balance because the assets are not “available” to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:		
State and local taxes	431,134	
Assets held for resale	837,320	
		1,268,454
Interest on long-term debt is not accrued in the governmental funds but rather recognized when due:		(423,551)
Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.		655,053
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Bonds payable	(28,294,525)	
Leases payable	(597,840)	
Compensated absences payable	(381,534)	
Net pension obligation	(2,373,502)	
Net OPEB obligation	(2,816,064)	
Total long-term liabilities		(34,463,465)
Net assets of governmental activities		$ 14,473,625

See accompanying notes to financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2010

	Major Funds			
	General Corporate Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Revenues				
Property taxes	$ 9,324,407	$ 79,418	$ 5,456,033	$ 14,859,858
Sales taxes	2,403,228	-	-	2,403,228
Income taxes	1,474,908	-	-	1,474,908
Utility taxes	2,073,897	-	-	2,073,897
Other taxes	1,948,484	-	540,231	2,488,715
Licenses, permits and fees	1,255,180	-	-	1,255,180
Grant revenue	216,352	-	209,896	426,248
Other revenue	607,527	-	291	607,818
Fines and forfeitures	942,587	-	455,884	1,398,471
Investment income	2,804	2,063	4,129	8,996
Charges for services	897,672	-	847,662	1,745,334
Total revenues	21,147,046	81,481	7,514,126	28,742,653
Expenditures				
Current				
General government	4,871,201	-	1,418,620	6,289,821
Public safety	12,061,255	-	405,189	12,466,444
Highway and street	1,854,959	-	320,482	2,175,441
Public health	275,833	-	1,529,838	1,805,671
Community development	528,339	-	2,417,818	2,946,157
Building department	858,240	-	-	858,240
Debt service				
Principal	-	-	470,000	470,000
Interest and other charges	38,444	-	1,463,266	1,501,710
Capital outlay	834,276	-	259,072	1,093,348
Total expenditures	21,322,547	-	8,284,285	29,606,832
Excess (deficiency) of revenues over (under) expenditures	(175,501)	81,481	(770,159)	(864,179)
Other financing sources (uses)				
Transfers in	-	-	1,659,872	1,659,872
Transfers out	(1,468)	-	(1,658,404)	(1,659,872)
Proceeds from capital lease	92,889	-	-	92,889
Proceeds from the sale of fixed assets	-	-	415,408	415,408
Total other financing sources (uses)	91,421	-	416,876	508,297
Net changes in fund balances	(84,080)	81,481	(353,283)	(355,882)
Fund balances at beginning of year as restated	(4,676,389)	4,512,869	4,500,857	4,337,337
Fund balances at end of year	$ (4,760,469)	$ 4,594,350	$ 4,147,574	$ 3,981,455

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended April 30, 2010

Net change in fund balances - total governmental funds		$ (355,882)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay	2,248,169	
Depreciation	(6,423,607)	
Capital outlay in excess of depreciation		(4,175,438)
The proceeds from the sale of land and equipment are reported as revenues and the purchase of land and equipment are reported as expenditures in the governmental funds. However, the cost of the land and equipment is removed from the capital asset account in the statement of net assets and offset against sale proceeds resulting in gain or (loss) in the statement of activities.		
Net effect of sales, trade-ins and disposals of assets		(851,515)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.		
Principal retirement - bonds	470,000	
Principal retirement - leases	144,539	
Proceeds from capital leases	(92,889)	
		521,650
Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:		(30,621)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Amortization of deferred bond issuance costs, premium and discount	(43,431)	
Change in compensated absences payable	(350,092)	
Change in net pension obligation	(741,506)	
Change in net OPEB obligation	(1,382,463)	
Change in accrued interest on debt	(4,740)	
Total expenses of non-current resources		(2,522,232)
Change in net assets of governmental activities		$ (7,414,038)

See accompanying notes to financial statements.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Assets				
Current assets:				
Cash	$ -	$ -	$ 125,841	$ 125,841
Accounts receivable	534,849	420,089	-	954,938
Interfund receivable	1,180,000	420,000	-	1,600,000
Total current assets	1,714,849	840,089	125,841	2,680,779
Noncurrent assets:				
Unamortized bond costs	-	152,639	-	152,639
Capital assets, not being depreciated	150,000	85,981	-	235,981
Capital assets, net of accumulated depreciation	9,110,262	29,210,503	-	38,320,765
Total noncurrent assets	9,260,262	29,449,123	-	38,709,385
Total assets	10,975,111	30,289,212	125,841	41,390,164
Liabilities				
Current liabilities:				
Cash overdraft liability	2,437,998	97,082	-	2,535,080
Accounts payable	1,109,418	430,580	227	1,540,225
Accrued payroll	19,583	2,473	-	22,056
Compensated absences payable	30,973	30,973	-	61,946
Accrued interest payable	-	321,659	-	321,659
Current portion - bonds payable	-	840,000	-	840,000
Current portion - loans payable	-	821,603	-	821,603
Current portion - leases payable	-	161,370	-	161,370
Total current liabilities	3,597,972	2,705,740	227	6,303,939
Noncurrent liabilities:				
Noncurrent portion - bonds payable	-	16,705,260	-	16,705,260
Noncurrent portion - loans payable	-	5,661,509	-	5,661,509
Noncurrent portion - leases payable	-	343,630	-	343,630
Net OPEB obligation	136,999	136,999	-	273,998
Total noncurrent liabilities	136,999	22,847,398	-	22,984,397
Total liabilities	3,734,971	25,553,138	227	29,288,336
Net assets				
Invested in capital assets, Net of related debt	9,260,262	5,923,372	-	15,183,634
Unrestricted	(2,020,122)	(1,187,298)	125,614	(3,081,806)
Total net assets	$ 7,240,140	$ 4,736,074	$ 125,614	$ 12,101,828

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Operating revenues				
Charges for services	$ 4,028,559	$ 2,141,395	$ 53,717	$ 6,223,671
Other revenue	5,790	-	2,499	8,289
Total operating revenues	4,034,349	2,141,395	56,216	6,231,960
Operating expenses				
Administration	1,326,332	453,061	8,700	1,788,093
Water purchases	2,670,579	-	-	2,670,579
Repairs & maintenance	337,491	299,871	286	637,648
Supplies & services	419,003	118,783	-	537,786
Depreciation	541,584	561,780	-	1,103,364
Total operating expenses	5,294,989	1,433,495	8,986	6,737,470
Operating income (loss)	(1,260,640)	707,900	47,230	(505,510)
Non-operating revenues (expenses)				
Investment income	6,412	1,782	61	8,255
Grant revenue	-	30,204	-	30,204
Interest expense	-	(941,485)	-	(941,485)
Total non-operating revenues (expenses)	6,412	(909,499)	61	(903,026)
Net income (loss)	(1,254,228)	(201,599)	47,291	(1,408,536)
Net assets at beginning of year	8,494,368	4,937,673	78,323	13,510,364
Net assets at end of year	$ 7,240,140	$ 4,736,074	$ 125,614	$ 12,101,828

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total Enterprise Funds
Cash flows provided (used) by operating activities				
Receipts from customers	$ 3,918,647	$ 2,025,542	$ 56,216	$ 6,000,405
Payments to suppliers	(1,012,032)	(411,113)	(8,759)	(1,431,904)
Payments to employees	(869,843)	(132,411)	-	(1,002,254)
Net cash provided (used) by operating activities	2,036,772	1,482,018	47,457	3,566,247
Cash flows provided (used) by non-capital and related financing activities				
Interfund borrowing	(1,285,000)	85,000	-	(1,200,000)
Receipts from grantors	-	30,204	-	30,204
Net cash provided (used) by non-capital and related financing activities	(1,285,000)	115,204	-	(1,169,796)
Cash flows used by capital and related financing activities				
Principal paid on capital asset acquisition debt	-	(1,607,809)	-	(1,607,809)
Interest paid on capital asset acquisition debt	-	(1,022,693)	-	(1,022,693)
Purchases of capital assets	(1,998,617)	(99,096)	-	(2,097,713)
Net cash used by capital and related financing activities	(1,998,617)	(2,729,598)	-	(4,728,215)
Cash flows provided by investing activities				
Sale of investments	1,012,158	-	-	1,012,158
Interest	6,412	1,782	61	8,255
Net cash provided by investing activities	1,018,570	1,782	61	1,020,413
Net increase (decrease) in cash and cash equivalents	(228,275)	(1,130,594)	47,518	(1,311,351)
Balances - beginning of the year	228,275	1,130,594	78,323	1,437,192
Balances - end of year	$ -	$ -	$ 125,841	$ 125,841
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (1,260,640)	$ 707,900	$ 47,230	$ (505,510)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	541,584	561,780	-	1,103,364
Change in assets and liabilities:				
Decrease (increase) receivables, net	(115,702)	(115,853)	-	(231,555)
(Decrease) increase accounts payable	2,833,673	265,099	227	3,098,999
(Decrease) increase accrued payroll	(27,401)	(2,166)	-	(29,567)
(Decrease) increase compensated absences	455	455	-	910
(Decrease) increase OPEB obligation	64,803	64,803	-	129,606
Net cash provided (used) by operating activities	$ 2,036,772	$ 1,482,018	$ 47,457	$ 3,566,247
Supplemental disclosures of non-cash transactions				
Purchases of capital assets	$ (1,786,059)	$ (81,307)	$ -	$ (1,867,366)
Change in net OPEB obligation	64,803	64,803	-	129,606

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Funds	Agency Funds
Assets		
Cash	$ 36,985	$ 351,450
Investments:		
Certificates of deposit	9,459,187	-
State and local obligations	918,081	-
US government and agency obligations	7,728,249	-
US government backed securities	1,929,136	-
Insurance contracts	11,428,967	-
Equity securities	1,691,770	-
Equity mutual funds	2,838,494	-
Money market mutual funds	1,993,402	-
Accrued interest receivable	114,479	-
Other receivable	-	419
Due from village	114,288	-
Prepaids	761	-
Total assets	38,253,799	$ 351,869
Liabilities		
Accounts payable	32,687	$ -
Deposits payable	-	351,869
Total liabilities	32,687	$ 351,869
Net assets		
Held in trust for pension benefits and other purposes	38,221,112	
Total net assets	$ 38,221,112	

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 2,039,901
Plan members	655,084
Total contributions	2,694,985
Net investment earnings	5,132,010
Total additions	7,826,995
Deductions	
Benefits	3,517,734
Administrative expenses	91,669
Total deductions	3,609,403
Change in net assets	4,217,592
Net assets - beginning of year	34,003,520
Net assets - end of year	$ 38,221,112

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Franklin Park, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan, Firefighter's Pension Plan and Foreign Fire Insurance Premium Tax Fund have been included in the financial reporting entity as blended component units.

Police Pension Plan – The Village's police department employees participate in the Police Pension Plan ("Police Pension Plan"). The Police Pension Plan functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the President, one elected pension beneficiary, and two elected police employees constitute the pension board. The Village is obligated to fund all Police Pension Plan costs based on actuarial valuations. The nature of the Police Pension Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Police Pension Plan can be obtained from the Village by contacting the Village Controller.

Firefighter's Pension Plan – The Village's fire department employees participate in the Firefighter's Pension Plan ("Firefighter's Pension Plan"). The Firefighter's Pension Plan functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The Village is obligated to fund all Firefighter's Pension Plan costs based on actuarial valuations. The nature of the Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Firefighter's Pension Plan can be obtained from the Village by contacting the Village Controller.

Foreign Fire Insurance Premium Tax Fund – The Foreign Fire Insurance Premium Tax Fund was established to account for the fire department's allocable foreign fire insurance tax revenue. This revenue is provided to the fire department as an inducement to assist neighboring communities in emergency situations. The fund is governed by a board that includes members of the Board of Trustees and fire department personnel, all of which are elected by the members of the fire department. The fund is included within the Village's reporting entity as a special revenue fund.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statements **–** The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements **–** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2010, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major governmental funds:

General Corporate Fund **–** The General Corporate Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Working Cash Fund **–** This special revenue fund is used to account for resources utilized for investment and daily operations Village.

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

Water Fund **–** The Water Fund accounts for the operating activities of the Village's water utilities services.

Water and Sewer Fund **–** The Sewer Fund accounts for the operating activities of the Village's sewer utilities services.

Commuter Parking Lot Fund **–** The Commuter Parking Lot fund accounts for the operating activities of the Village's parking lot activities.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has two pension trust funds that account for the Police Pension Plan and the Firefighter's Pension Plan.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental Funds

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds **–** Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds **–** Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs

Capital Projects Fund – The Capital Projects Fund is used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Loans: Noncurrent portions of long-term interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of $10,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Infrastructure	20-75 years
Water and sewer system	10-75 years
Vehicles and equipment	5-10 years

Investments: Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the Police Pension Plan and Fire Pension Plan with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Equity/Net Assets: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds had deficit fund balances at April 30, 2010:

Fund	Amount
General Corporate Fund	$ 4,760,449
Garbage Fund	1,563,697
IMRF Fund	49,992
Downtown Franklin Avenue TIF Fund	2,064,075
Resurrection TIF Fund	1,673,389
Seymour Avenue Capital Projects Fund	658,268

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are reimbursed for accumulated sick and vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is lost on January 1 of the following year. Police and Fire department and employees are paid out for unused sick and vacation time upon termination of employment or retirement per standing union contracts. Non-union Village employees are paid out for 25% of unused sick time and 100% of unused vacation time. As such, the total liability as of the fiscal year end is $1,144,535.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

Accounting For Proprietary Fund Activities: The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, to the proprietary fund activities.

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are not anticipated to occur within the next fiscal year. As such, they are classified as a noncurrent asset in the Government-wide statements valued at cost. The carrying amount as of April 30, 2010 was $837,320.

NOTE 2 - CASH AND INVESTMENTS

Permitted Deposits and Investments: Statues authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. The Pension Trust Funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. Pension funds with net assets of $2.5 million or more may invest up to 45% of plan net assets in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net assets of at least $5 million that have appointed an investment advisor may invest up to 45% of the plan's net assets in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The shares do not mature.

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was $3,980,837 at April 30, 2010, while the bank balances were $4,866,539. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2010. All investments mature in less than one year:

Investment Types	Fair Value
Money market mutual fund	$ 1,785,515
Treasurer Illinois Funds	1,289,458
Total investments	$ 3,074,973

Interest Rate Risk – The Village limits its exposure to interest rate risk by structuring the portfolio by not investing any operating funds in any debt instruments other than U.S. Agencies and Illinois Funds.

Credit Risk – The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Agencies and Illinois Funds. The United States Agencies are implicitly guaranteed by the United States Government. Illinois Funds are rated AAAm by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village limits its exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Village, to act as custodians for its securities and collateral. The Village's investments are fully collateralized as of April 30, 2010.

Concentration of Credit Risk – The Village limits the amount the Village may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Village's investments are in Amalgamated Bank money market mutual fund, Wells Fargo money market mutual fund and Illinois Funds. These investments are 48%, 10% and 42%, respectively, of the Village's investments.

Cash – Police Pension Plan: At April 30, 2010, the Police Pension Plan's carrying amount of cash was $7,512 while the bank balances were $9,418. The FDIC insures bank balances up to $250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Plan's name by a financial institution acting as the Police Pension Plan's agent.

Certificates of Deposit – Police Pension Plan: Certificates of Deposit amounted to $9,459,187 at April 30, 2010. In accordance with Police Pension Plan policy, certificates of deposit of $9,410,059 were collateralized with securities of the U.S. Government. $49,128 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Plan's name by financial institutions acting as the Police Pension Plan agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments – Police Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2010:

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Investment Maturities Greater than Ten Years
U.S. Agencies	$ 921,482	$ 921,482
Total	921,482	$ 921,482
Investments Not Sensitive to Interest Rate Risk:		
Mutual Funds	2,171,003	
Life Insurance Annuities	6,400,973	
Total Investments	$ 9,493,458	

Interest Rate Risk – The Police Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Police Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Police Pension Plan's investment policy also prescribes the "prudent person" rule.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Police Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. Although not required by the Police Pension Plan's investment policy, the Police Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Police Pension Plan places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Plan's investments are in LPL Financial Money Market Mutual Fund, Commonwealth Annuity Insurance Contract and Sun Life Insurance Contract. These investments are 5%, 9%, and 5%, respectively, of the Police Pension Plan's total investments.

Cash – Firefighter's Pension Plan: At April 30, 2010, the Firefighter's Pension Plan's carrying amount of cash was $29,473 while the bank balances were $37,427. The FDIC insures bank balances up to $250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter's Pension Plan's name by a financial institution acting as the Firefighter's Pension Plan's agent.

Investments – Firefighter's Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2010:

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

		Investment Maturities			
Investment Type	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
State and Local Obligations	$ 918,081	$ -	$ 918,081	$ -	$ -
U.S. Treasury Notes	2,994,432	-	2,496,855	497,577	-
U.S. Agencies	5,741,471	-	4,961,655	641,914	137,902
Total	9,653,984	$ -	$ 8,376,591	$ 1,139,491	$ 137,902
Investments Not Sensitive to Interest Rate Risk:					
Equity Securities	1,691,770				
Mutual Funds	2,660,893				
Life Insurance Annuities	5,027,994				
Total Investments	$ 19,034,641				

Interest Rate Risk – The Firefighter's Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighter's Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Firefighter's Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Firefighter's Pension Plan's investment policy also prescribes the "prudent person" rule. Unrated investments are listed below:

Investment	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corporation	$ 3,445	7.0%	9/1/2015
Federal Home Loan Mortgage Corporation	1,980	7.0%	2/1/2032
Federal National Mortgage Association	11,973	7.5%	7/1/2029
Federal National Mortgage Association	6,769	7.0%	10/1/2029
Federal National Mortgage Association	10,067	7.0%	7/1/2032

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighter's Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Firefighter's Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighter's Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Firefighter's Pension Plan has a stated target that 55% of the portfolio be in fixed income securities, 40% in equities and 5% in real estate. More than 5% of the Firefighter's Pension Plan's investments are in Pridex Wishire Insurance Contract. This investment is 22% of the Firefighter's Pension Plan's total investments.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:	
Statement of net assets	
Cash	$ 13,252,558
Investments	1,785,515
Cash overdraft liability	(8,333,713)
Statement of fiduciary net assets	
Pension trust funds	
Cash	36,985
Certificates of deposit	9,459,187
State and local obligations	918,081
US government and agency obligations	7,728,249
US government backed securities	1,929,136
Insurance contracts	11,428,967
Equity securities	1,691,770
Equity mutual funds	2,838,494
Money market mutual funds	1,993,402
Agency funds	
Cash	351,450
Total	$ 45,080,081

Cash and investments per footnote:	
Cash	$ 3,980,837
Investments	3,074,973
Cash – Police Pension Plan	7,512
Certificate of deposits – Police Pension Plan	9,459,187
Investments – Police Pension Plan	9,493,458
Cash – Firefighter’s Pension Plan	29,473
Investments – Firefighter’s Pension Plan	19,034,641
Total	$ 45,080,081

(Continued)

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2009 through April 30, 2010 follows:

	Balance at May 1, 2009	Additions	Deletions	Balance at April 30, 2010
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 10,046,015	$ 1,145,598	$ (851,515)	$ 10,340,098
Construction in progress	2,889,825	797,440	(3,687,265)	-
Total capital assets being not depreciated	12,935,840	1,943,038	(4,538,780)	10,340,098
Capital assets being depreciated				
Infrastructure	123,967,455	3,591,305	-	127,558,760
Buildings and improvements	5,598,358	138,652	-	5,737,010
Vehicles and equipment	5,716,467	262,439	-	5,978,906
Subtotal	135,282,280	3,992,396	-	139,274,676
Less accumulated depreciation:				
Infrastructure	(92,504,337)	(5,849,124)	-	(98,353,461)
Buildings and improvements	(2,955,316)	(111,605)	-	(3,066,921)
Vehicles and equipment	(4,275,835)	(462,878)	-	(4,738,713)
Total accumulated depreciation	(99,735,488)	(6,423,607)	-	(106,159,095)
Total capital assets being depreciated, net	35,546,792	(2,431,211)	-	33,115,581
Governmental activities capital assets, net	$ 48,482,632	$ (488,173)	$(4,538,780)	$ 43,455,679

Depreciation expenses for the Village's Governmental Activities were charged to the following functions:

General government	$ 210,689
Public safety	159,327
Highway and street	6,053,591
Total	$ 6,423,607

(Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2009 through April 30, 2010 follows:

	Balance at May 1, 2009	Additions	Deletions	Balance at April 30, 2010
Business-Type activities:				
Capital assets not being depreciated:				
Land	$ 185,000	$ -	$ -	$ 185,000
Construction in progress	380,780	840,550	(1,170,349)	50,981
Total capital assets being not depreciated	565,780	840,550	(1,170,349)	235,981
Capital assets being depreciated:				
Water and sewer system	46,459,391	2,802,110	-	49,261,501
Storage reservoir/pump	4,981,883	158,295	-	5,140,178
Buildings and improvements	1,945,172	164,124	-	2,109,296
Vehicles and equipment	2,803,306	-	-	2,803,306
Subtotal	56,189,752	3,124,529	-	59,314,281
Less accumulated depreciation:				
Water and sewer system	(14,329,622)	(822,010)	-	(15,151,632)
Storage reservoir/pump	(2,351,022)	(130,052)	-	(2,481,074)
Buildings and improvements	(810,059)	(52,546)	-	(862,605)
Vehicles and equipment	(2,399,449)	(98,756)	-	(2,498,205)
Total accumulated depreciation	(19,890,152)	(1,103,364)	-	(20,993,516)
Total capital assets being depreciated, net	36,299,600	2,021,165	-	38,320,765
Business-Type activities capital assets, net	$ 36,865,380	$ 2,861,715	$(1,170,439)	$ 38,556,746

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

Water	$ 541,584
Sewer	561,780
Total	$ 1,103,364

(Continued)

NOTE 4 – LONG-TERM DEBT

A summary of the changes in the Village's long term debt is summarized below.

Governmental Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Refunding – 2003	$ 310,000	$ -	$ 75,000	$ 235,000	$ 75,000
G.O. Alt. Rev. – 2004A	6,215,000	-	-	6,215,000	-
G.O. Alt. Rev. – 2005A	4,065,000	-	100,000	3,965,000	135,000
G.O. Alt. Rev. – 2006	9,500,000	-	-	9,500,000	-
G.O. Alt. Rev. – 2007	8,155,000	-	295,000	7,860,000	310,000
Plus deferred premium	790,140	-	23,981	766,159	-
Less deferred discount	(254,436)	-	(7,802)	(246,634)	-
Total G.O. Bonds	28,780,704	-	486,179	28,294,525	520,000
Leases payable	649,490	92,889	144,539	597,840	140,637
Compensated absences	732,497	1,311,094	961,002	1,082,589	701,055
Net pension obligation	1,631,996	741,506	-	2,373,502	-
Net OPEB obligation	1,433,601	1,382,463	-	2,816,064	-
Total	$ 33,228,288	$ 3,527,952	$ 1,591,720	$ 35,164,520	$ 1,361,692

Business-Type Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Alt. Rev. – 2004B	$ 17,195,000	$ -	$ 810,000	$ 16,385,000	$ 840,000
Plus deferred premium	1,227,887	-	67,627	1,160,260	-
Total G.O. Bonds	18,422,887	-	877,627	17,545,260	840,000
Leases payable	-	505,000	-	505,000	161,370
Loans payable	7,280,921	-	797,809	6,483,112	821,603
Compensated absences	61,036	71,055	70,145	61,946	61,946
Net OPEB obligation	144,392	129,606	-	273,998	-
Total	$ 25,909,236	$ 705,661	$ 1,745,581	$ 24,869,316	$ 1,884,919

General Obligation Refunding Bonds, Series 2003 – On September 15, 2003, the Village Board authorized the issuance of $650,000 General Obligation Refunding Bonds, Series 2003, dated October 1, 2003. The bonds were issued to refund in advance of their respective maturities $600,000 in aggregate principal amount of the Village's Corporate Purpose Bonds Series 1992 and pay costs associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2012 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 75,000	$ 9,760	$ 84,760	4.00%
2012	80,000	6,760	86,760	4.15%
2013	80,000	3,440	83,440	4.30%
Total	$ 235,000	$ 19,960	$ 254,960	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004A – The Village Board authorized the issuance of $14,865,000 General Obligation Bonds (Alternate Revenue Source), Series 2004A, dated February 4, 2004. The bonds were issued to provide funds to finance certain capital improvements in the Village and to pay the costs of issuance of the Series 2004A Bonds. A portion of the Project is expected to provide relief from traffic congestion and delay caused by the at-grade crossing of two railroads with a main Village Street. $8,650,000 of these bonds was refunded by the issuance of General Obligation Refunding Bonds (Alternative Revenue Source), Series 2006. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2034 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ -	$ 310,750	$ 310,750	5.00%
2012	-	310,750	310,750	5.00%
2013	-	310,750	310,750	5.00%
2014	-	310,750	310,750	5.00%
2015	-	310,750	310,750	5.00%
2016	-	310,750	310,750	5.00%
2017	-	310,750	310,750	5.00%
2018	-	310,750	310,750	5.00%
2019	-	310,750	310,750	5.00%
2020	-	310,750	310,750	5.00%
2021	-	310,750	310,750	5.00%
2022	-	310,750	310,750	5.00%
2023	-	310,750	310,750	5.00%
2024	-	310,750	310,750	5.00%
2025	-	310,750	310,750	5.00%
2026	-	310,750	310,750	5.00%
2027	-	310,750	310,750	5.00%
2028	-	310,750	310,750	5.00%
2029	-	310,750	310,750	5.00%
2030	-	310,750	310,750	5.00%
2031	240,000	304,750	544,750	5.00%
2032	1,385,000	264,125	1,649,125	5.00%
2033	1,455,000	193,125	1,648,125	5.00%
2034	1,530,000	118,500	1,648,500	5.00%
2035	1,605,000	40,125	1,645,125	5.00%
Total	$ 6,215,000	$ 7,135,625	$ 13,350,625	

General Obligation Alternate Revenue Bonds, Series 2005A – The Village Board authorized the issuance of $4,165,000 General Obligation Bonds (Alternate Revenue Source), Series 2005A, dated January 1, 2005. The bonds were issued to provide funds for certain land acquisition and site preparation costs within the Downtown Franklin Avenue TIF, to fund certain capitalized interest on the bonds, and to fund certain costs associated with the issuance of the bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF funds. The principal and interest payments to maturity at July 1, 2024 are as follows:

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 135,000	$ 197,748	$ 332,748	5.00%
2012	140,000	190,998	330,998	5.00%
2013	145,000	183,998	328,998	5.00%
2014	180,000	177,328	357,328	4.60%
2015	190,000	170,848	360,848	3.60%
2016	195,000	163,818	358,818	3.70%
2017	240,000	156,310	396,310	3.85%
2018	250,000	146,950	396,950	3.90%
2019	260,000	136,950	396,950	4.00%
2020	310,000	122,650	432,650	4.00%
2021	325,000	105,600	430,600	4.00%
2022	340,000	87,725	427,725	4.00%
2023	400,000	69,025	469,025	4.20%
2024	415,000	47,025	462,025	4.20%
2025	440,000	12,100	452,100	4.30%
Total	$ 3,965,000	$ 1,969,073	$ 5,934,073	

General Obligation Alternate Revenue Bonds, Series 2006 – The Village Board authorized the issuance of $9,500,000 General Obligation Bonds (Alternative Revenue Source), Series 2006. The bonds were issued to refund in advance of their respective maturities $8,650,000 in aggregate principal of the Village's General Obligation Bonds, (Alternative Revenue Source), Series 2004A and pay costs of $850,000 associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2030 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ -	$ 380,000	$ 380,000	4.00%
2012	40,000	379,200	419,200	4.00%
2013	40,000	377,600	417,600	4.00%
2014	45,000	375,900	420,900	4.00%
2015	45,000	374,100	419,100	4.00%
2016	50,000	372,200	422,200	4.00%
2017	50,000	370,200	420,200	4.00%
2018	50,000	368,200	418,200	4.00%
2019	55,000	366,100	421,100	4.00%
2020	55,000	363,900	418,900	4.00%
2021	60,000	361,600	421,600	4.00%
2022	60,000	359,200	419,200	4.00%
2023	65,000	356,700	421,700	4.00%
2024	985,000	335,700	1,320,700	4.00%
2025	1,030,000	295,400	1,325,400	4.00%
2026	1,070,000	253,400	1,323,400	4.00%
2027	1,110,000	209,800	1,319,800	4.00%
2028	1,160,000	164,400	1,324,400	4.00%
2029	1,205,000	117,100	1,322,100	4.00%
2030	1,255,000	67,900	1,322,900	4.00%
2031	1,070,000	21,400	1,091,400	4.00%
Total	$ 9,500,000	$ 6,270,000	$ 15,770,000	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2007 – The Village Board authorized the issuance of $8,155,000 General Obligation Bonds (Alternative Revenue Source), Series 2007. The bonds were issued to assist the Village in upgrading and/or expanding the Franklin Park Mall located within the Grand-Mannheim TIF District, and the West Mannheim Residential TIF District and the Resurrection TIF District (collectively the "TIF Districts"); to fund certain capitalized interest on the Bonds; to fund in part a Debt Service Reserve Fund; and to fund certain costs associated with the issuance of the Bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF Districts. The principal and interest payments to maturity at January 1, 2023 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 310,000	$ 357,060	$ 667,060	3.90%
2012	320,000	344,970	664,970	4.00%
2013	415,000	332,170	747,170	4.05%
2014	435,000	315,363	750,363	4.10%
2015	450,000	297,528	747,528	4.20%
2016	555,000	278,626	833,626	5.50%
2017	580,000	248,101	828,101	4.40%
2018	610,000	222,583	832,583	4.45%
2019	725,000	195,436	920,436	4.50%
2020	760,000	162,813	922,813	4.60%
2021	795,000	127,853	922,853	4.70%
2022	930,000	90,488	1,020,488	4.75%
2023	975,000	46,313	1,021,313	4.75%
Total	$ 7,860,000	$ 3,019,304	$ 10,879,304	

Capital Lease – The Village leases equipment through various leases with lease terms through April 2018. The capitalized cost of $1,706,219 less accumulated depreciation of $606,525 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2010 was $284,995. Remaining principal and interest payments are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 302,007	$ 46,891	$ 348,898
2012	263,764	34,304	298,068
2013	263,985	22,558	286,563
2014	88,594	13,578	102,172
2015	92,760	9,410	102,170
2016	28,955	5,045	34,000
2017	30,547	3,453	34,000
2018	32,228	1,772	34,000
	$ 1,102,840	$ 137,031	$ 1,239,871

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004B – The Village Board authorized the issuance of $ 20,135,000 General Obligation Refunding Bonds Alternative Revenue Source), Series 2004B, dated April 1, 2004. The bonds were issued to refund a portion of the Village's outstanding General Obligation Alternate Revenue Source Bonds, Series 1993, and to pay the costs of issuance of the 2004B Bonds. Bonds maturing on or after July 1, 2014 are callable at the option of the Village on any date on or after January 1, 2014, at a price of par plus accrued interest. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2022 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 840,000	$ 783,750	$ 1,623,750	4.00%
2012	1,030,000	746,350	1,776,350	5.00%
2013	1,085,000	698,625	1,783,625	5.00%
2014	1,135,000	643,125	1,778,125	5.00%
2015	1,190,000	585,000	1,775,000	5.00%
2016	1,250,000	524,000	1,774,000	5.00%
2017	1,315,000	459,875	1,774,875	5.00%
2018	1,380,000	392,500	1,772,500	5.00%
2019	1,450,000	321,750	1,771,750	5.00%
2020	1,520,000	247,500	1,767,500	5.00%
2021	1,590,000	169,750	1,759,750	5.00%
2022	1,675,000	88,125	1,763,125	5.00%
2023	925,000	23,125	948,125	5.00%
Total	$ 16,385,000	$ 5,683,475	$ 22,068,475	

Illinois Environmental Protection Agency Loan – L17-0848 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $2,634,735 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.36%. Payments on the loan commenced on January 1, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at July 1, 2014 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 165,926	$ 25,236	$ 191,162
2012	171,547	19,614	191,161
2013	177,360	13,802	191,162
2014	183,369	7,792	191,161
2015	94,001	1,579	95,580
	$ 792,203	$ 68,023	$ 860,226

Illinois Environmental Protection Agency Loan – L17-0924 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $4,553,800 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.82%. Payments on this loan commenced on February 24, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at September 15, 2016 are as follows:

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 262,786	$ 50,158	$ 312,944
2012	270,235	42,709	312,944
2013	277,896	35,048	312,944
2014	285,774	27,170	312,944
2015	293,875	19,069	312,944
2016	302,205	10,739	312,944
2017	154,300	2,173	156,473
	$ 1,847,071	$ 187,066	$ 2,034,137

Illinois Environmental Protection Agency Loan – L17-0925 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,523,912 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.15%. Payments on this loan commenced on November 7, 1997 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at May 15, 2017 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 198,467	$ 50,467	$ 248,934
2012	204,768	44,166	248,934
2013	211,269	37,665	248,934
2014	217,977	30,958	248,935
2015	224,897	24,037	248,934
2016	232,037	16,897	248,934
2017	239,406	9,531	248,937
2018	122,537	1,930	124,467
	$ 1,651,358	$ 215,651	$ 1,867,009

Illinois Environmental Protection Agency Loan – L17-1161 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,683,905 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.63%. Payments on this loan commenced on June 1, 2001 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at December 1, 2019 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 194,424	$ 56,286	$ 250,710
2012	199,562	51,148	250,710
2013	204,835	45,875	250,710
2014	210,247	40,463	250,710
2015	215,801	34,909	250,710
2016	221,504	29,206	250,710
2017	227,356	23,354	250,710
2018	233,364	17,346	250,710
2019	239,529	11,181	250,710
2020	245,858	4,852	250,710
	$ 2,192,480	$ 314,620	$ 2,507,100

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2010, the equalized assessed valuation of the Village is $998,467,011 and the legal debt margin is $82,373,529. The Village is in compliance with this requirement.

Debt Covenants: The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. As of 4/30/10, the Village did not complete its 2009 filing. The Village completed the 2009 filing in March 2011. However, no action has been taken against the Village compelling compliance with the debt covenants as of the date of this audit report.

NOTE 5 – SHORT-TERM DEBT

The Village took out a line of credit on October 4, 2009 for $2,000,000 at an interest rate of 4.00%. The Village drew down $2,000,000 on this line of credit on October 31, 2009. The Line of Credit is scheduled to be repaid on October 13, 2010. A total of $38,444 of interest was paid through April 30, 2010. A summary of the short-term debt activity is as follows:

Balance 5/1/2009	Additions	Deductions	Balance 4/30/2010
$ -	$ 2,000,000	$ -	$ 2,000,000

See Note 13 for additional information regarding the extension of the Line of Credit by the Village subsequent to year end.

NOTE 6 – NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2010 total $15,449,071. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of non-commitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project
$2,400,000 note issued August 5, 2002, bearing interest at 9%. Principal balance as of April 30, 2010 is $1,925,763 plus unpaid accrued interest of $173,319 for a total amount due of $2,099,082. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of $2,400,000 replaced the original note in the amount of $1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project
$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2010 is $8,200,000 plus accrued interest of $5,149,989 for a total amount due of $13,349,989. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

(Continued)

NOTE 7 – INTERFUNDS AND TRANSFERS

The interfunds are a result of the cash loans between the funds. The transfer is the result of the closing of the South Industrial TIF Fund.

	Due from other funds	Due to other funds
General Corporate		
Nonmajor Governmental	$ 680,205	$ -
Water	-	780,000
Sewer	-	420,000
Total General Corporate	680,205	1,200,000
Working Cash		
Nonmajor Governmental	685,000	-
Total Working Cash	685,000	-
Nonmajor Governmental		
General Corporate	-	680,205
Working Cash	-	685,000
Nonmajor Governmental	1,121,383	1,121,383
Water	-	400,000
Total Nonmajor Governmental	1,121,383	2,886,588
Water		
General Corporate	780,000	
Nonmajor Governmental	400,000	-
Total Water	1,180,000	-
Sewer		
General Corporate	420,000	-
Total Sewer	420,000	-
Total	$ 4,086,588	$ 4,086,588

	Transfers in	Transfers out
General Corporate		
Nonmajor Governmental	$ -	$ 1,468
Total General Corporate	-	1,468
Nonmajor Governmental		
General Corporate	1,468	-
Nonmajor Governmental	1,658,404	1,658,404
Total Nonmajor Governmental	1,659,872	1,658,404
Total	$ 1,659,872	$ 1,659,872

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund – Regular Plan

Plan Description: The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 5.25% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2009, the Village's annual pension cost of $169,047 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2009	$ 169,047	100%	$ -
December 31, 2008	212,080	100%	-
December 31, 2007	232,278	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 82.17 percent funded. The actuarial accrued liability for benefits was $9,345,809 and the actuarial value of assets was $7,679,559, resulting in an under funded actuarial accrued liability (UAAL) of $1,666,250. The covered payroll (annual payroll of active employees covered by the plan) was $3,219,952 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of the investments over a five-year period with a 20% corridor between the actuarial and market value of the assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Illinois Municipal Retirement Fund – Sheriff's Law Enforcement Personnel

Plan Description: The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 14.03% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2009, the Village's annual pension cost of $6,048 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2009	$ 6,048	100%	$ -
December 31, 2008	13,072	100%	-
December 31, 2007	11,978	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 27 years.

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 246.44 percent funded. The actuarial accrued liability for benefits was $24,797 and the actuarial value of assets was $61,109, resulting in an over funded actuarial accrued liability (UAAL) of $36,312. The covered payroll (annual payroll of active employees covered by the plan) was $43,111 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of the investments over a five-year period with a 20% corridor between the actuarial and market value of the assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Plan

Plan Description: Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

The Police Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	44
Current Employees Vested and Nonvested	33
	87

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	30.92%, 9.91%
Annual Pension Cost	$1,390,042
Contributions Made	$964,382
Actuarial Valuation Date	April 30, 2010
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,372,467
Interest on Net Pension Obligation	59,929
Adjustment to Annual Required Contribution	(42,354)
Annual Pension Cost	1,390,042
Actual Contributions	964,382
Increase in Net Pension Obligation	425,660
Net Pension Obligation as of April 30, 2009	856,130
Net Pension Obligation as of April 30, 2010	$ 1,281,790

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2010	$ 1,390,042	69.4%	$ 1,281,790
April 30, 2009	1,381,867	68.7%	856,130
April 30, 2008	1,303,427	67.5%	423,632

Firefighter's Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Firefighter's Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighter's Pension Plan may be obtained by writing the Village.

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2009 (the latest information available), the Firefighter's Pension Plan membership consisted of:

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	45
Current Employees	
Vested and Nonvested	43
	88

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firefighter's Pension Plan is fully funded by the year 2033.

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	31.495%, 9.91%
Annual Pension Cost	$1,349,011
Contributions Made	$1,033,165
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,340,658
Interest on Net Pension Obligation	26,352
Adjustment to Annual Required Contribution	(17,999)
Annual Pension Cost	1,349,011
Actual Contributions	1,033,165
Increase in Net Pension Obligation	315,846
Net Pension Obligation as of April 30, 2009	775,866
Net Pension Obligation as of April 30, 2010	$ 1,091,712

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2010	$ 1,349,011	76.6%	$ 1,091,712
April 30, 2009	1,349,011	70.4%	775,866
April 30, 2008	1,297,715	73.8%	376,462

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village's exposure has not exceeded insurance coverage for the past three years. These risks are provided for through insurance from private insurance companies. In addition, the Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

NOTE 10 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF Districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenues were $1,665,101 and $3,275,488, respectively.

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description*:* The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF must be at least 55 years old, have at least 8 years of credited service and no longer work in a position that qualifies for participation in IMRF. For Police Pension Plan and Firefighter's Pension Plan members, employees must at least 50 years old and have at least 20 years of credited service.

Funding Policy*:* Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was $413,082 for 2010.

At April 30, 2009 (the latest information available), the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	38
Current Employees Vested and Nonvested	139
	177

Annual OPEB Cost and Net OPEB Obligation*:* The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost method,* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2010, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual Required Contribution	$ 1,925,151
Interest on OPEB	-
Annual OPEB Cost	1,925,151
Contributions	413,082
Increase (Decrease) in OPEB	1,512,069
OPEB at April 30, 2009	1,577,993
OPEB at April 30, 2010	$ 3,090,062

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the three preceding years were as follows:

Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
4/30/2010	$ 1,925,151	21.5%	$ 3,090,062
4/30/2009	1,925,151	18.0%	1,577,933
4/30/2008	n/a	n/a	n/a

April 30, 2009 was the first year an actuarial valuation was performed.

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funded Status and Funding Progress*:* As of April 30, 2009, the plan was unfunded. The actuarial accrued liability for benefits was $18,816,415. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2009 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3% investment rate of return, a 3% inflation rate and an annual healthcare cost trend rate of 4.33% - 11.81% initially, reduced by decrements to an ultimate rate of 5.00% - 8.00%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2009. The UAAL is being amortized as a level dollar percentage of projected payroll on a open basis. The remaining amortization period at April 30, 2009, was 30 years.

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, to unallocated insurance contracts improve to the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The Statement provides guidance regarding recognition by the Transferor of the appropriate assets and liabilities and revenue recognition. This Statement also provides guidance for governments that are operators in an SCA. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 with early application encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for a governmental financial reporting entity by amending the requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity by adding additional criteria that must be met. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012, with earlier application encouraged.

Management has not determined the impact these statements will have on the financial position and results of operations of the Village.

NOTE 13 - SUBSEQUENT EVENTS

On October 14, 2010, the line of credit the Village obtained during the fiscal year was increased by $500,000 which the Village drew down. The line of credit is due to be repaid on October 13, 2011.

On August 25, 2010, the Village obtained a general obligation note from a separate lending institution for $3,000,000. The note has an interest rate of 70% times the aggregate of One-Month LIBOR plus 2.5% and is due on March 1, 2011 or 6 months after the final closing. The Village has not closed this note to date. As such, the final maturity date for the note has not yet been determined.

NOTE 14 - PRIOR PERIOD RESTATEMENTS

During 2010, management identified certain insurance funds still titled in the Village's name that were expensed in prior years. These funds ($716,987) have been recorded as an asset and an increase in fund balance as of the beginning of the year as noted below:

General Corporate Fund	
Fund balance as previously reported as of May 1, 2009	$ (5,393,376)
To record other assets not previously reported	(716,987)
Restated fund balance as of May 1, 2009	$ (4,676,389)
Governmental Activities	
Net assets as previously reported as of May 1, 2009	$ 21,170,676
To record other assets not previously reported	716,987
Restated net assets as of May 1, 2009	$ 21,887,663

NOTE 15 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION

As discussed in detail in the Management's Discussion & Analysis, the Village has suffered severe financial distress that is being addressed by the new administration. A new financial management team was charged with clarifying the village's financial position, assuring its continued liquidity, developing a budget based on realistic cash flow projections and ultimately achieving financial stability. Though still challenging, the Village's financial picture has gradually improved over the past two years. In the fiscal year just completed, FY 2011, it appears that the 11 year trend of declining general fund balance has been reversed. Though the precise amount of progress made in this area awaits the outcome of the FY 2011 audit, the village's negative fund balance position appears to have been cut by upwards of one million dollars. Related to this, the village showed an increase in yearend cash balances approximating two million dollars. This will allow the village to meet its ongoing obligations to vendors and others in a more timely manner than last year. These gains are attributable to a number of actions taken by the new administration since assuming office. On the revenue side, those several revenue sources that could be enhanced were (i.e.,, refuse collection, vehicle registration, non-abatement of three property tax levies and TIF management fees), and expenditure reductions (mostly in payroll and benefits) were instituted as well.

The specific revenue enhancements were:

- A refuse collection fee, which generates about $1.2 million annually was imposed,
- Increased vehicle registration fees added $63 thousand.
- Several property tax levies that had previously been abated were not, generating an additional $3.5 million in cash flow. It is anticipated that these levies will continue unabated for the next several years.
- A long-dormant receivables collection process is being revived and is expected to generate about $500 thousand in aged receivables.

Expenditure reductions were also undertaken.

- Both police and fire personnel were reduced by attrition and without incident, saving some $450 thousand annually.
- Both salary and hiring freezes were imposed, and the existing workforce is now supplemented on an as needed basis with part time and/or temporary personnel, thereby avoiding the costs of benefits.
- Water and sewer billing, previously done in-house has been shifted to a vendor, saving an estimated $17 thousand annually, primarily in personnel costs.

(Continued)

NOTE 15 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION (Continued)

Overall, it is expected that the village's financial health will continue to improve over the next several years despite some serious headwinds. Chief among these is the national economy and its impact on economically sensitive revenues, such as income and sales taxes as well as building permit revenues. It is not clear when the economy will fully recover, and the village will continue to meet the challenges posed by depressed revenues in these and related areas.

VILLAGE OF FRANKLIN PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL CORPORATE FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 10,026,966	$ 9,324,407	$ (702,559)
Sales taxes	2,800,000	2,403,228	(396,772)
Income taxes	1,800,000	1,474,908	(325,092)
Utility taxes	2,428,000	2,073,897	(354,103)
Other taxes	2,300,415	1,948,484	(351,931)
Licenses, permits and fees	2,423,800	1,255,180	(1,168,620)
Grant revenue	874,500	216,352	(658,148)
Other revenue	817,110	607,527	(209,583)
Fines and forfeitures	805,500	942,587	137,087
Investment income	30,000	2,804	(27,196)
Charges for services	1,217,020	897,672	(319,348)
Total revenues	25,523,311	21,147,046	(4,376,265)
Expenditures			
Current			
General government	6,190,751	4,871,201	(1,319,550)
Public safety	11,045,858	12,061,255	1,015,397
Highway and street	2,655,855	1,854,959	(800,896)
Public health	327,440	275,833	(51,607)
Community development	572,110	528,339	(43,771)
Building department	1,458,750	858,240	(600,510)
Debt service			
Interest and other charges	-	38,444	38,444
Capital outlay	1,295,896	834,276	(461,620)
Total expenditures	23,546,660	21,322,547	(2,224,113)
Excess (deficiency) of revenues over (under) expenditures	1,976,651	(175,501)	(2,152,152)
Other financing sources (uses)			
Transfers out	-	(1,468)	(1,468)
Proceeds from capital lease	-	92,889	92,889
Proceeds from the sale of fixed assets	500	-	(500)
Total other financing sources (uses)	500	91,421	90,921
Net changes in fund balances	$ 1,977,151	(84,080)	$ (2,061,231)
Fund balances at beginning of year as restated		(4,676,389)	
Fund balances at end of year		$ (4,760,469)	

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the following funds:
    - Working Cash Fund
    - Foreign Fire Insurance Premium Fund
    - Police Department 1505 Fund
    - Unclaimed Rebates Fund
    - Special Service Area #4 Fund
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2010:

Fund	Amount
911 Emergency Surcharge Tax Fund	$ 316,869

VILLAGE OF FRANKLIN PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
April 30, 2010

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR						
12/31/2009	$ 7,679,559	$ 9,345,809	$ 1,666,250	82.2%	$ 3,219,952	51.7%
12/31/2008	7,583,533	9,303,361	1,719,828	81.5%	3,267,804	52.6%
12/31/2007	9,829,165	8,307,462	(1,521,703)	118.3%	2,910,755	-52.3%
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL						
12/31/2009	$ 61,109	$ 24,797	$ (36,312)	246.4%	$ 43,111	-84.2%
12/31/2008	52,363	29,353	(23,010)	178.4%	94,454	-24.4%
12/31/2007	32,265	10,726	(21,539)	300.8%	81,872	-26.3%
POLICE PENSION FUND						
4/30/2010	$ 19,004,820	$ 40,191,355	$ 21,186,535	47.3%	$ 3,119,156	679.2%
4/30/2008	19,370,974	37,894,385	18,523,411	51.1%	3,280,940	564.6%
4/30/2007	19,330,483	36,849,658	17,519,175	52.5%	3,350,352	522.9%

Note: Information as of 4/30/09 for the Police Pension Fund not available.

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
FIREFIGHTER'S PENSION FUND						
4/30/2009	$ 17,458,475	$ 38,257,435	$ 20,798,960	45.6%	$ 3,015,057	689.8%
4/30/2008	20,222,441	37,079,485	16,857,044	54.5%	2,998,553	562.2%
4/30/2007	20,164,957	35,255,525	15,090,568	57.2%	3,106,223	485.8%

Note: Information as of 4/30/10 for the Fire Pension Fund not available.

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
OTHER POST EMPLOYMENT BENEFITS						
4/30/2009	$ -	$ 18,816,415	$ 18,816,415	0.0%	Not available	Not available

Note: 2009 was the first actuarial valuation for other post employment benefits and is the latest information available.

VILLAGE OF FRANKLIN PARK ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
April 30, 2010

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
		ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR		
12/31/2009	$ 169,047	$ 169,047	100%	$ -
12/31/2008	212,080	212,080	100%	-
12/31/2007	232,278	232,278	100%	-
		ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL		
12/31/2009	$ 6,048	$ 6,048	100%	$ -
12/31/2008	13,072	13,072	100%	-
12/31/2007	11,978	11,978	100%	-
		POLICE PENSION FUND		
4/30/2010	$ 964,382	$ 1,390,042	69.38%	$ 1,281,790
4/30/2009	949,369	1,381,867	68.70%	856,130
4/30/2008	879,795	1,303,427	67.50%	423,632
		FIREFIGHTER'S PENSION FUND		
4/30/2010	$ 1,033,165	$ 1,349,011	76.59%	$ 1,091,712
4/30/2009	949,607	1,349,011	70.39%	775,866
4/30/2008	957,265	1,297,715	73.77%	376,462
		OTHER POST EMPLOYMENT BENEFITS		
4/30/2010	$ 413,082	$ 1,925,151	21.46%	$ 3,090,062
4/30/2009	347,158	1,925,151	18.03%	1,577,993

Note: 2009 was the first actuarial valuation for other post employment benefits.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets				
Cash	$ 6,030,675	$ 2,392,872	$ 793,820	$ 9,217,367
Investments	1,298,484	487,031	-	1,785,515
Property taxes receivable	-	2,061,686	-	2,061,686
Accrued interest	330	-	-	330
Accounts receivable	238,551	-	-	238,551
Interfund receivable	1,121,383	-	-	1,121,383
Total assets	$ 8,689,423	$ 4,941,589	$ 793,820	$ 14,424,832
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 2,080,786	$ 837,820	$ -	$ 2,918,606
Accounts payable	223,407	1,060,756	1,138,499	2,422,662
Accrued payroll	4,192	-	-	4,192
Deferred property tax revenue	-	2,045,210	-	2,045,210
Interfund payables	1,765,205	1,121,383	-	2,886,588
Total liabilities	4,073,590	5,065,169	1,138,499	10,277,258
Fund balances				
Reserved for interfunds	1,121,383	-	-	1,121,383
Reserved for public safety	742,781	-	-	742,781
Reserved for highway and streets	3,556,754	-	-	3,556,754
Reserved for community development	2,728,045	-	-	2,728,045
Reserved for debt service	-	1,549,809	-	1,549,809
Reserved for capital projects	-	-	313,589	313,589
Unreserved - special revenue funds	(3,533,130)	-	-	(3,533,130)
Unreserved - debt service funds	-	(1,673,389)	-	(1,673,389)
Unreserved - capital projects funds	-	-	(658,268)	(658,268)
Total fund balances	4,615,833	(123,580)	(344,679)	4,147,574
Total liabilities and fund balances	$ 8,689,423	$ 4,941,589	$ 793,820	$ 14,424,832

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Property taxes	$ 2,430,390	$ 3,025,643	$ -	$ 5,456,033
Other taxes	540,231	-	-	540,231
Grant revenue	8,742	-	201,154	209,896
Other revenue	291	-	-	291
Fines and forfeitures	455,884	-	-	455,884
Investment income	3,891	238	-	4,129
Charges for services	847,662	-	-	847,662
Total revenues	4,287,091	3,025,881	201,154	7,514,126
Expenditures				
Current				
General government	303,620	456,732	658,268	1,418,620
Public safety	405,189	-	-	405,189
Highway and street	320,482	-	-	320,482
Public health	1,529,838	-	-	1,529,838
Community development	323,907	2,093,911	-	2,417,818
Debt service				
Principal	-	470,000	-	470,000
Interest and other charges	-	1,463,266	-	1,463,266
Capital outlay	57,918	-	201,154	259,072
Total expenditures	2,940,954	4,483,909	859,422	8,284,285
Excess (deficiency) of revenues over (under) expenditures	1,346,137	(1,458,028)	(658,268)	(770,159)
Other financing sources				
Transfers in	-	1,659,872	-	1,659,872
Transfers out	(1,658,404)	-	-	(1,658,404)
Proceeds from the sale of fixed assets	415,408	-	-	415,408
Total other financing sources	(1,242,996)	1,659,872	-	416,876
Net changes in fund balances	103,141	201,844	(658,268)	(353,283)
Fund balances at beginning of year	4,512,692	(325,424)	313,589	4,500,857
Fund balances at end of year	$ 4,615,833	$ (123,580)	$ (344,679)	$ 4,147,574

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2010

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Assets						
Cash	$ 60,146	$ 425,501	$ 249,100	$ -	$ -	$ 1,372,107
Investments	-	-	-	-	-	-
Accrued interest	330	-	-	-	-	-
Accounts receivable	-	-	-	196,396	-	42,155
Interfund receivables	-	-	-	-	-	-
Total assets	$ 60,476	$ 425,501	$ 249,100	$ 196,396	$ -	$ 1,414,262
Liabilities and fund balances						
Liabilities						
Cash overdraft liability	$ -	$ -	$ -	$ 1,637,083	$ 49,992	$ -
Accounts payable	-	-	-	118,913	-	51,747
Accrued payroll	-	-	95	4,097	-	-
Interfund payables	-	-	-	-	-	-
Total liabilities	-	-	95	1,760,093	49,992	51,747
Fund balances						
Reserved for interfunds	-	-	-	-	-	-
Reserved for public safety	60,476	425,501	249,005	-	-	-
Reserved for highway and streets	-	-	-	-	-	1,362,515
Reserved for community development	-	-	-	-	-	-
Unreserved	-	-	-	(1,563,697)	(49,992)	-
Total fund balances	60,476	425,501	249,005	(1,563,697)	(49,992)	1,362,515
Total liabilities and fund balances	$ 60,476	$ 425,501	$ 249,100	$ 196,396	$ -	$ 1,414,262

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ 144,634	$ 7,799	$ 2,222,255	$ 104,327	$ 261,259	$ 1,183,547	$ -	$ 6,030,675
-	-	-	837,116	-	461,368	-	1,298,484
-	-	-	-	-	-	-	330
-	-	-	-	-	-	-	238,551
-	-	-	-	-	1,121,383	-	1,121,383
$ 144,634	$ 7,799	$ 2,222,255	$ 941,443	$ 261,259	$ 2,766,298	$ -	$ 8,689,423
$ -	$ -	$ -	$ -	$ -	$ -	$ 393,711	$ 2,080,786
-	-	28,016	5,276	1,959	632	16,864	223,407
-	-	-	-	-	-	-	4,192
-	-	-	-	-	111,705	1,653,500	1,765,205
-	-	28,016	5,276	1,959	112,337	2,064,075	4,073,590
-	-	-	-	-	1,121,383	-	1,121,383
-	7,799	-	-	-	-	-	742,781
-	-	2,194,239	-	-	-	-	3,556,754
-	-	-	936,167	259,300	1,532,578	-	2,728,045
144,634	-	-	-	-	-	(2,064,075)	(3,533,130)
144,634	7,799	2,194,239	936,167	259,300	2,653,961	(2,064,075)	4,615,833
$ 144,634	$ 7,799	$ 2,222,255	$ 941,443	$ 261,259	$ 2,766,298	$ -	$ 8,689,423

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2010

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Revenues						
Property taxes	$ -	$ -	$ -	$ 591,006	$ 86,163	$ -
Other taxes	49,227	-	-	-	-	491,004
Grant revenue	-	-	-	-	-	8,742
Other revenue	100	-	-	-	-	191
Fines and forfeitures	-	455,884	-	-	-	-
Investment income	528	75	2,751	183	25	-
Charges for services	-	-	323,104	514,558	-	-
Total revenues	49,855	455,959	325,855	1,105,747	86,188	499,937
Expenditures						
Current						
General government	-	-	-	-	211,805	-
Public safety	21,349	65,071	318,769	-	-	-
Highway and street	-	-	-	-	-	296,955
Public health	-	-	-	1,529,838	-	-
Community development	-	-	-	-	-	-
Capital outlay	28,103	29,815	-	-	-	-
Total expenditures	49,452	94,886	318,769	1,529,838	211,805	296,955
Excess (deficiency) of revenues over (under) expenditures	403	361,073	7,086	(424,091)	(125,617)	202,982
Other financing sources (uses)						
Transfers out	-	-	-	-	-	-
Proceeds from the sale of fixed assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net changes in fund balances	403	361,073	7,086	(424,091)	(125,617)	202,982
Fund balances at beginning of year	60,073	64,428	241,919	(1,139,606)	75,625	1,159,533
Fund balances at end of year	$ 60,476	$ 425,501	$ 249,005	$ (1,563,697)	$ (49,992)	$ 1,362,515

	Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
	$ -	$ 2,434	$ -	$ 1,260,819	$ 113,234	$ -	$ 376,734	$ 2,430,390
	-	-	-	-	-	-	-	540,231
	-	-	-	-	-	-	-	8,742
	-	-	-	-	-	-	-	291
	-	-	-	-	-	-	-	455,884
	-	1	72	26	4	144	82	3,891
	-	-	-	-	-	10,000	-	847,662
	-	2,435	72	1,260,845	113,238	10,144	376,816	4,287,091
	-	-	-	750	770	68,623	21,672	303,620
	-	-	-	-	-	-	-	405,189
	-	-	23,527	-	-	-	-	320,482
	-	-	-	-	-	-	-	1,529,838
	-	-	-	57,564	2,372	255,403	8,568	323,907
	-	-	-	-	-	-	-	57,918
	-	-	23,527	58,314	3,142	324,026	30,240	2,940,954
	-	2,435	(23,455)	1,202,531	110,096	(313,882)	346,576	1,346,137
	-	-	-	(1,047,908)	-	-	(610,496)	(1,658,404)
	-	-	-	-	-	415,408	-	415,408
	-	-	-	(1,047,908)	-	415,408	(610,496)	(1,242,996)
	-	2,435	(23,455)	154,623	110,096	101,526	(263,920)	103,141
	144,634	5,364	2,217,694	781,544	149,204	2,552,435	(1,800,155)	4,512,692
	$ 144,634	$ 7,799	$ 2,194,239	$ 936,167	$ 259,300	$ 2,653,961	$ (2,064,075)	$ 4,615,833

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
911 EMERGENCY SURCHARGE TAX FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 2,751	$ 2,751
Charges for services	-	323,104	323,104
Total revenues	-	325,855	325,855
Expenditures			
Current			
Public safety	1,900	318,769	316,869
Total expenditures	1,900	318,769	316,869
Net changes in fund balances	$ (1,900)	7,086	$ 8,986
Fund balances at beginning of year		241,919	
Fund balances at end of year		$ 249,005	

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GARBAGE FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 1,024,000	$ 591,006	$ (432,994)
Investment income	-	183	183
Charges for services	800	514,558	513,758
Total revenues	1,024,800	1,105,747	80,947
Expenditures			
Current			
Public health	1,546,665	1,529,838	(16,827)
Total expenditures	1,546,665	1,529,838	(16,827)
Net changes in fund balances	$ (521,865)	(424,091)	$ 97,774
Fund balances at beginning of year		(1,139,606)	
Fund balances at end of year		$ (1,563,697)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
IMRF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 175,000	$ 86,163	$ (88,837)
Investment income	-	25	25
Total revenues	175,000	86,188	(88,812)
Expenditures			
Current			
General government	275,000	211,805	(63,195)
Total expenditures	275,000	211,805	(63,195)
Net changes in fund balances	$ (100,000)	(125,617)	$ (25,617)
Fund balances at beginning of year		75,625	
Fund balances at end of year		$ (49,992)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MFT FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other taxes	$ 510,000	$ 491,004	$ (18,996)
Grant revenue	-	8,742	8,742
Other revenue	-	191	191
Total revenues	510,000	499,937	(10,063)
Expenditures			
Current			
Highway and street	940,000	296,955	(643,045)
Total expenditures	940,000	296,955	(643,045)
Net changes in fund balances	$ (430,000)	202,982	$ 632,982
Fund balances at beginning of year		1,159,533	
Fund balances at end of year		$ 1,362,515	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
EMERGENCY SERVICES AND DISASTER AGENCY FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 4,600	$ 2,434	$ (2,166)
Investment income	-	1	1
Total revenues	4,600	2,435	(2,165)
Expenditures	-	-	-
Net changes in fund balances	$ 4,600	2,435	$ (2,165)
Fund balances at beginning of year		5,364	
Fund balances at end of year		$ 7,799	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GARRA ALTERNATE SOURCE REFUNDING BONDS SERIES 2004A FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other revenue	$ 100,000	$ -	$ (100,000)
Investment income	100	72	(28)
Total revenues	100,100	72	(100,028)
Expenditures			
Current			
Highway and street	200,000	23,527	(176,473)
Total expenditures	200,000	23,527	(176,473)
Net changes in fund balances	$ (99,900)	(23,455)	$ 76,445
Fund balances at beginning of year		2,217,694	
Fund balances at end of year		$ 2,194,239	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
WEST MANNHEIM REDEVELOPING AREA TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 610,000	$ 1,260,819	$ 650,819
Investment income	-	26	26
Total revenues	610,000	1,260,845	650,845
Expenditures			
Current			
General government	30,000	750	(29,250)
Community development	36,000	57,564	21,564
Total expenditures	66,000	58,314	(7,686)
Excess (deficiency) of revenues over (under) expenditures	544,000	1,202,531	658,531
Other financing sources (uses)			
Transfers out	-	(1,047,908)	(1,047,908)
Total other financing sources (uses)	-	(1,047,908)	(1,047,908)
Net changes in fund balances	$ 544,000	154,623	$ (389,377)
Fund balances at beginning of year		781,544	
Fund balances at end of year		$ 936,167	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
BELMONT/RIVER TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 95,000	$ 113,234	$ 18,234
Investment income	-	4	4
Total revenues	95,000	113,238	18,238
Expenditures			
Current			
General government	12,000	770	(11,230)
Community development	10,000	2,372	(7,628)
Total expenditures	22,000	3,142	(18,858)
Net changes in fund balances	$ 73,000	110,096	$ 37,096
Fund balances at beginning of year		149,204	
Fund balances at end of year		$ 259,300	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MANNHEIM/GRAND TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 144	$ 144
Charges for services	29,500	10,000	(19,500)
Total revenues	29,500	10,144	(19,356)
Expenditures			
Current			
General government	35,000	68,623	33,623
Community development	503,000	255,403	(247,597)
Total expenditures	538,000	324,026	(213,974)
Excess (deficiency) of revenues over (under) expenditures	(508,500)	(313,882)	194,618
Other financing sources (uses)			
Proceeds from the sale of fixed assets	-	415,408	415,408
Total other financing sources (uses)	-	415,408	415,408
Net changes in fund balances	$ (508,500)	101,526	$ 610,026
Fund balances at beginning of year		2,552,435	
Fund balances at end of year		$ 2,653,961	

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DOWNTOWN FRANKLIN AVENUE TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 340,000	$ 376,734	$ 36,734
Investment income	2,500	82	(2,418)
Total revenues	342,500	376,816	34,316
Expenditures			
Current			
General government	2,500	21,672	19,172
Community development	319,500	8,568	(310,932)
Total expenditures	322,000	30,240	(291,760)
Excess (deficiency) of revenues over (under) expenditures	20,500	346,576	326,076
Other financing sources (uses)			
Transfers out	-	(610,496)	(610,496)
Total other financing sources (uses)	-	(610,496)	(610,496)
Net changes in fund balances	$ 20,500	(263,920)	$ (284,420)
Fund balances at beginning of year		(1,800,155)	
Fund balances at end of year		$ (2,064,075)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2010

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Assets							
Cash	$ -	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ -	$ 2,392,872
Investments	297,552	-	-	-	-	189,479	487,031
Property taxes receivable	2,061,686	-	-	-	-	-	2,061,686
Total assets	$ 2,359,238	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ 189,479	$ 4,941,589
Liabilities and fund balances							
Liabilities							
Cash overdraft liability	$ 212,932	$ -	$ -	$ -	$ -	$ 624,888	$ 837,820
Accounts payable	4,880	-	300	938,384	595	116,597	1,060,756
Deferred property tax revenue	2,045,210	-	-	-	-	-	2,045,210
Interfund payables	-	-	-	-	-	1,121,383	1,121,383
Total liabilities	2,263,022	-	300	938,384	595	1,862,868	5,065,169
Fund balances							
Reserved for debt service	96,216	-	1,103,585	-	350,008	-	1,549,809
Unreserved	-	-	-	-	-	(1,673,389)	(1,673,389)
Total fund balances	96,216	-	1,103,585	-	350,008	(1,673,389)	(123,580)
Total liabilities and fund balances	$ 2,359,238	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ 189,479	$ 4,941,589

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended April 30, 2010

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Revenues							
Property taxes	$ 1,500,942	$ -	$ 741,817	$ -	$ 589,617	$ 193,267	$ 3,025,643
Investment income	220	-	-	-	16	2	238
Total revenues	1,501,162	-	741,817	-	589,633	193,269	3,025,881
Expenditures							
Current							
General government	9,294	-	-	-	-	447,438	456,732
Community development	-	-	289,446	-	412,462	1,392,003	2,093,911
Debt service							
Principal	470,000	-	-	-	-	-	470,000
Interest and other charges	1,463,266	-	-	-	-	-	1,463,266
Total expenditures	1,942,560	-	289,446	-	412,462	1,839,441	4,483,909
Excess (deficiency) of revenues over (under) expenditures	(441,398)	-	452,371	-	177,171	(1,646,172)	(1,458,028)
Other financing sources							
Transfers in	1,658,404	1,468	-	-	-	-	1,659,872
Total other financing sources	1,658,404	1,468	-	-	-	-	1,659,872
Net changes in fund balances	1,217,006	1,468	452,371	-	177,171	(1,646,172)	201,844
Fund balances at beginning of year	(1,120,790)	(1,468)	651,214	-	172,837	(27,217)	(325,424)
Fund balances at end of year	$ 96,216	$ -	$ 1,103,585	$ -	$ 350,008	$ (1,673,389)	$ (123,580)

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CORPORATE BOND AND INTEREST FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 83,000	$ 1,500,942	$ 1,417,942
Investment income	-	220	220
Total revenues	83,000	1,501,162	1,418,162
Expenditures			
Current			
General government	5,000	9,294	4,294
Principal	3,407,405	470,000	(2,937,405)
Interest and other charges	-	1,463,266	1,463,266
Total expenditures	3,412,405	1,942,560	(1,469,845)
Excess (deficiency) of revenues over (under) expenditures	(3,329,405)	(441,398)	2,888,007
Other financing sources (uses)			
Transfers in	-	1,658,404	1,658,404
Total other financing sources (uses)	-	1,658,404	1,658,404
Net changes in fund balances	$ (3,329,405)	1,217,006	$ 4,546,411
Fund balances at beginning of year		(1,120,790)	
Fund balances at end of year		$ 96,216	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LIFE/FITNESS REEBIE STORAGE TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 685,000	$ 741,817	$ 56,817
Total revenues	685,000	741,817	56,817
Expenditures			
Current			
General government	5,000	-	(5,000)
Community development	483,000	289,446	(193,554)
Total expenditures	488,000	289,446	(198,554)
Excess (deficiency) of revenues over (under) expenditures	197,000	452,371	255,371
Net changes in fund balances	$ 197,000	452,371	$ 255,371
Fund balances at beginning of year		651,214	
Fund balances at end of year		$ 1,103,585	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
O'HARE EAST INDUSTRIAL TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 385,000	$ 589,617	$ 204,617
Investment income	-	16	16
Total revenues	385,000	589,633	204,633
Expenditures			
Current			
General government	5,000	-	(5,000)
Community development	443,500	412,462	(31,038)
Total expenditures	448,500	412,462	(36,038)
Net changes in fund balances	$ (63,500)	177,171	$ 240,671
Fund balances at beginning of year		172,837	
Fund balances at end of year		$ 350,008	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
RESURRECTION TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 48,000	$ 193,267	$ 145,267
Investment income	-	2	2
Total revenues	48,000	193,269	145,269
Expenditures			
Current			
General government	10,000	447,438	437,438
Community development	1,645,000	1,392,003	(252,997)
Total expenditures	1,655,000	1,839,441	184,441
Net changes in fund balances	$ (1,607,000)	(1,646,172)	$ (39,172)
Fund balances at beginning of year		(27,217)	
Fund balances at end of year		$ (1,673,389)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL FUNDS
April 30, 2010

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Total
Assets			
Cash	$ 480,231	$ 313,589	$ 793,820
Total assets	$ 480,231	$ 313,589	$ 793,820
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 1,138,499	$ -	$ 1,138,499
Total liabilities	1,138,499	-	1,138,499
Fund balances			
Reserved for capital projects		313,589	313,589
Unreserved	(658,268)	-	(658,268)
Total fund balances	(658,268)	313,589	(344,679)
Total liabilities and fund balances	$ 480,231	$ 313,589	$ 793,820

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPTIAL PROJECT FUNDS
Year Ended April 30, 2010

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Total
Revenues			
Grant revenue	$ 201,154	$ -	$ 201,154
Total revenues	201,154	-	201,154
Expenditures			
Current			
General government	658,268	-	658,268
Capital outlay	201,154	-	201,154
Total expenditures	859,422	-	859,422
Net changes in fund balances	(658,268)	-	(658,268)
Fund balances at beginning of year	-	313,589	313,589
Fund balances at end of year	$ (658,268)	$ 313,589	$ (344,679)

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SEYMOUR AVENUE CAPITAL PROJECTS FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Grant revenue	$ -	$ 201,154	$ 201,154
Other revenue	500	-	(500)
Total revenues	500	201,154	200,654
Expenditures			
Current			
General government	5,000	658,268	653,268
Capital outlay	870,154	201,154	(669,000)
Total expenditures	875,154	859,422	(15,732)
Net changes in fund balances	$ (874,654)	(658,268)	$ 216,386
Fund balances at beginning of year		-	
Fund balances at end of year		$ (658,268)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighter's Pension Fund	Total	Village Escrow Fund	Special Assessment Fund	Total
Assets						
Cash	$ 7,512	$ 29,473	$ 36,985	$ 19,961	$ 331,489	$ 351,450
Investments:						
Certificates of deposit	9,459,187	-	9,459,187	-	-	-
State and local obligations	-	918,081	918,081	-	-	-
US government and agency obligations	921,482	6,806,767	7,728,249	-	-	-
US government backed securities	-	1,929,136	1,929,136	-	-	-
Insurance contracts	6,400,973	5,027,994	11,428,967	-	-	-
Equity securities	-	1,691,770	1,691,770	-	-	-
Equity mutual funds	1,176,004	1,662,490	2,838,494	-	-	-
Money market mutual funds	994,999	998,403	1,993,402	-	-	-
Accrued interest receivable	46,268	68,211	114,479	-	-	-
Other receivable	-	-	-	-	419	419
Due from village	65,341	48,947	114,288	-	-	-
Prepaids	500	261	761	-	-	-
Total assets	19,072,266	19,181,533	38,253,799	$ 19,961	$ 331,908	$ 351,869
Liabilities						
Accounts payable	10,105	22,582	32,687	$ -	$ -	$ -
Deposits payable	-	-	-	19,961	331,908	351,869
Total liabilities	10,105	22,582	32,687	$ 19,961	$ 331,908	$ 351,869
Net assets						
Held in trust for pension benefits and other purposes	19,062,161	19,158,951	38,221,112			
Total net assets	$ 19,062,161	$ 19,158,951	$ 38,221,112			

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Police Pension Fund	Firefighter's Pension Fund	Total
Additions			
Contributions			
Employer	$ 1,007,098	$ 1,032,803	$ 2,039,901
Plan members	343,786	311,298	655,084
Total contributions	1,350,884	1,344,101	2,694,985
Net investment earnings	2,958,477	2,173,533	5,132,010
Total additions	4,309,361	3,517,634	7,826,995
Deductions			
Benefits	1,716,486	1,801,248	3,517,734
Administrative expenses	37,344	54,325	91,669
Total deductions	1,753,830	1,855,573	3,609,403
Change in net assets	2,555,531	1,662,061	4,217,592
Net assets - beginning of year	16,506,630	17,496,890	34,003,520
Net assets - end of year	$ 19,062,161	$ 19,158,951	$ 38,221,112

VILLAGE OF FRANKLIN PARK, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended April 30, 2010

	Balance May 1, 2009	Additions	Deletions	Balance April 30, 2010
Village Escrow Fund				
Assets				
Cash	$ 20,844	$ 12,150	$ (13,033)	$ 19,961
Total assets	$ 20,844	$ 12,150	$ (13,033)	$ 19,961
Liabilities				
Accounts payable	$ 883	$ 2,105	$ (2,988)	$ -
Deposits payable	19,961	14,255	(14,255)	19,961
Total liabilities	$ 20,844	$ 16,360	$ (17,243)	$ 19,961
Special Assessment Fund				
Assets				
Cash	$ 331,489	$ -	$ -	$ 331,489
Other receivable	419	-	-	419
Total assets	$ 331,489	$ -	$ -	$ 331,489
Liabilities				
Deposits payable	$ 331,908	$ -	$ -	$ 331,908
Total liabilities	$ 331,908	$ -	$ -	$ 331,908

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have examined the Village of Franklin Park, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2010. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

Our examination disclosed the following noncompliances with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2010. The Village did not hold a Joint Review Meeting, as required, during the fiscal year.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2010.

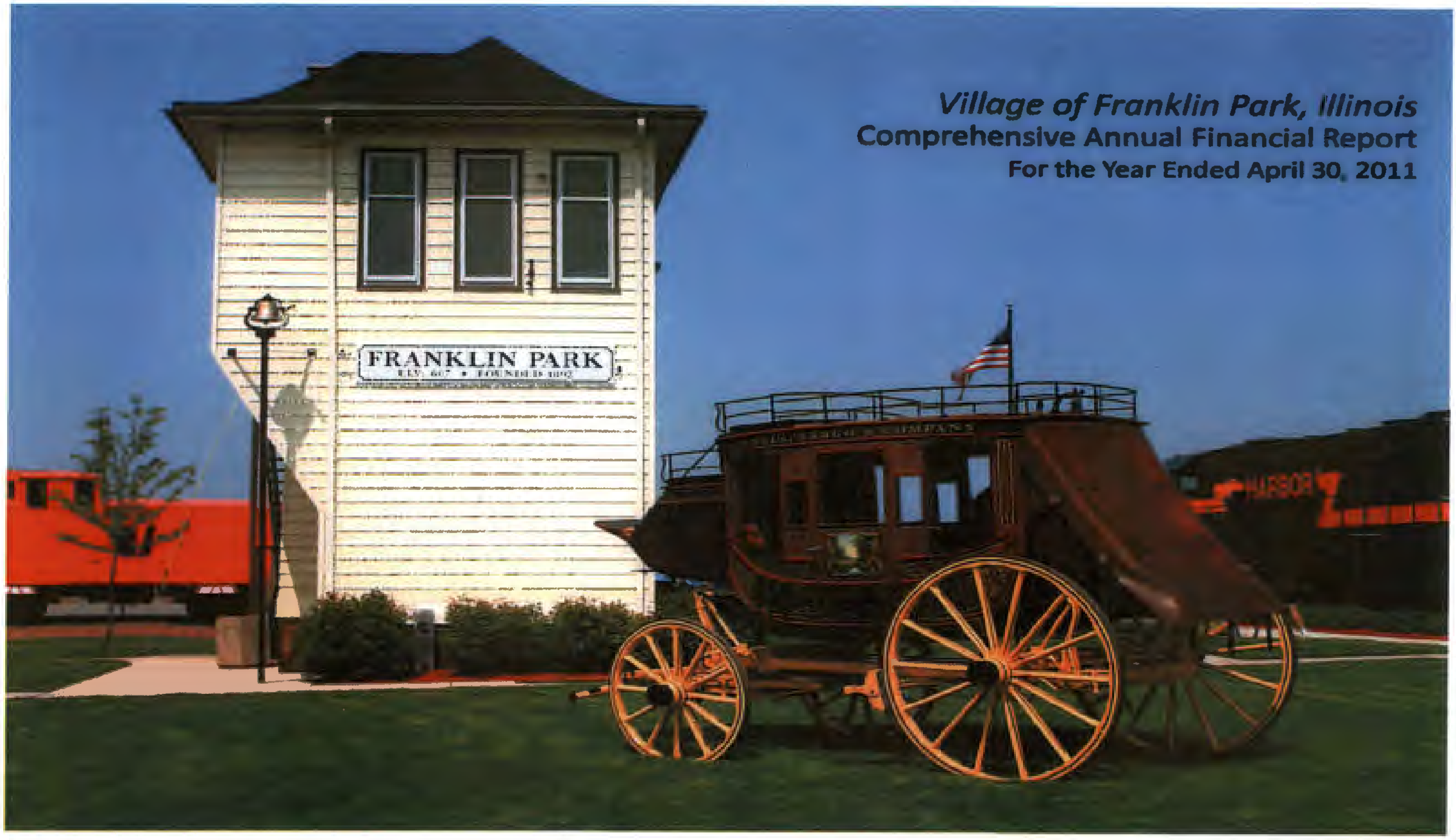
Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2011

2009

FRANKLIN PARK	12/01/89	$700,000.00	$0.00			$0.00	EXP 2008
	08/01/91	$10,000,000.00	$1,775,000.00	08/07/91	$955,995.00	$0.00	
				03/10/94	$819,005.00		
	03/01/92	$13,000,000.00	$2,200,000.00	04/07/92	$1,150,967.50	$0.00	
				03/10/94	$1,049,032.50		
	03/01/92	$1,000,000.00	$195,000.00	04/07/92	$106,230.00	$0.00	
				10/07/03	$88,770.00		
	12/15/93	$23,065,000.00	$1,841,175.00	08/26/04	$1,841,175.00	$0.00	
	10/01/03	$650,000.00	$83,260.00			$83,260.00	
	02/01/04	$14,865,000.00	$743,250.00	12/15/06	$432,500.00	$310,750.00	
	04/01/04	$20,135,000.00	$1,623,750.00			$1,623,750.00	
	01/01/05	$4,165,000.00	$332,747.50	01/27/10	$332,747.50	$0.00	
	2006	$9,500,000.00	$380,000.00			$380,000.00	
	2007	$8,155,000.00	$667,060.00	01/27/10	$667,060.00	$0.00	
	2010	$10,000,000.00	$1,500,000.00	07/23/10	$459,500.00	$1,040,500.00	
TOTAL			$11,341,242.50			$3,438,260.00	
ADJUSTED TOTAL			$11,341,243			$3,438,260	



Village of Franklin Park, Illinois
Comprehensive Annual Financial Report
For the Year Ended April 30, 2011

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended April 30, 2011

Prepared By:
Finance Department
Ron Heller – Comptroller

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2011

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Year Ended April 30, 2010

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Year Ended April 30, 2010

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INTRODUCTORY SECTION

October 27, 2011

To the Mayor, Village Board and Citizens of Franklin Park:

State law requires that every general purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This *Comprehensive Annual Financial Report* ("CAFR") is published to comply with this requirement for the fiscal year ended April 30, 2011.

This is the Village's first CAFR and is being submitted to the *Government Finance Officers Association of the United States and Canada* ("GFOA") for consideration under its prestigious *Certificate of Achievement for Excellence in Financial Reporting* program. Award of this Certificate would mean that we will have achieved ".....the highest standards in government accounting and financial reporting." Given that this is the first year since 2003 that the Village has completed its audit within the prescribed six month period, we consider the publishing of a CAFR in a sufficiently timely manner to seek this award to be a significant accomplishment.

This CAFR consists of three major sections:

- Introductory section: This contains a listing of principal Village officials, an organizational chart and this letter of transmittal.

- Financial section: This section contains the auditor's opinion, Management's Discussion and Analysis, the Village's basic financial statements and required supplementary information.

- Statistical section: This section is composed of easily readable tables concerning the Village's recent financial trends, revenue and debt capacity and historical demographic and operating statistics.

It should be noted that this CAFR consists of management's representations concerning the Village's finances, and management assumes full responsibility for its completeness, accuracy and reliability.

To assure a reasonable basis for making these representations, the Village has established a comprehensive internal control framework that is designed to both protect Village assets from theft, loss and/or misuse, and to retain sufficiently reliable information to allow for the preparation of its financial statements in accordance with *Accounting Principles Generally Accepted in the United States of America* ("GAAP").

With respect to these internal controls and the retention of information, the Village's goal is to provide reasonable, rather than absolute assurances that the financial statements are free of misstatements. This is based on the principle that the cost of internal controls should not exceed their intended benefits.

Crowe Horwath LLP, independent certified public accountants, have issued an unqualified opinion on the Village's financial statements for the fiscal year ended April 30, 2011. Their opinion is presented at the beginning of this report's financial section.

Management's Discussion and Analysis ("MD&A") immediately follows the auditor's opinion and provides a narrative overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read and considered in conjunction with it.

Village Government Profile

General Description

The Village of Franklin Park, incorporated in 1892, is located in western Cook County, approximately 15 miles northwest of Chicago's Loop. The village is bordered on the north by the Village of Schiller Park, and Chicago - O'Hare International Airport; on the east by the Village of River Grove and several Cook County Forest Preserve facilities; on the south by the Village of Melrose Park, the City of Northlake and portions of unincorporated Leyden Township; and to the west by the Village of Bensenville.

Form of Government

The Village operates under a Mayor/Village Board form of government in which the Village President, or Mayor, presides over a six member Board of Trustees. The Mayor and Board of Trustees determine the compensation of all the Village officers and employees, levy taxes, license businesses, appropriate funds, borrow money, and otherwise make all decisions relating to the finances and affairs of the Village.

The Mayor is also the Chief Executive Officer of the Village and possesses the power to appoint officers; and to veto ordinances, resolutions and any expenditure. The Village Clerk is the administrative official responsible for daily operations in the Village Hall. The Mayor, Village Clerk and Trustees are elected at large for 4 year-terms.

Village Services

The Village provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, public improvement, planning and zoning, and general administrative services. Police protection is provided by the Village's police department. Paramedic and fire protection is provided by the Village's fire department. The Village currently employs 131 full-time employees.

The Village owns and operates its water distribution and sanitary sewer collection system. Lake Michigan water is purchased from Chicago, while sanitary sewerage disposal service is provided by the Metropolitan Water Reclamation District of Greater Chicago. School facilities are provided by School District Nos. 81, 83, 84, 84-5 and Community High School District No. 212. The majority of the Village is also served by Triton Community College District No. 504.

Budgeting

The annual appropriation ordinance is the legal document under which Village resources are generated and expended. This document is based on an annual budget, which is developed at the department level, reviewed by administration and then becomes the subject of public hearings by the full Board and/or its Finance Committee. Once the budget has been developed, the appropriation ordinance is derived from it and voted upon by the Board in open session. It is the budget, however, that Village administration uses as a principal management tool and standard by which to measure departmental performance.

Economic and Financial Nexus

Economic Base

Owing to its proximity to Chicago – O'Hare International Airport and the presence of one of the nation's largest rail freight yards, the Village has long been an important industrial center; traditionally ranked the fourth largest in Illinois. Indeed, over the past ten years, industrial property has accounted for an average 61.5% of the Village's Equalized Assessed Value ("EAV"). Notably, the Village is the only place on earth where Baby Ruth and Butterfinger candy bars are manufactured.

Economic Condition
Despite the presence of this inherent and powerful economic engine, or, perhaps because of it, the Village is subject to economic cyclicality and has been affected in no small way by the current economic downturn.

As an essentially blue collar community, the Village is subjected to the more or less natural ups and downs of the national, regional and local economies. However, during this current downturn, Franklin Park's unemployment rate has averaged 13.8% and 14.1% in calendar years 2009 and 2010, respectively, and the Village's foreclosure rate is running at exceptionally high levels, with 20 foreclosures and 50 foreclosures for the same period.

As if this weren't bad enough, the Village's tax base has contracted 15.4% over the two most recent tax years. This, combined with Cook County's phasing out of the homeowner's exemption and reallocating the relative proportions of the tax base so as to more heavily tax residential properties, has placed an enormous amount of pressure on our citizens.

Village Finances
Despite the poor economy, its effect on our residents and its resulting constraints on economically sensitive revenues such as sales and income taxes and building permits, in FY 2011, the Village was able to achieve a positive general fund balance for the first time since FY 2004.

As the general fund is the Village's principal operating fund, we feel that this was a notable success. Specifically, the FY 2011 general fund balance was $3,010,707; an improvement of $8,404,083 from its low point at the end of FY 2009 and of $8,771,176 from FY 2010.

Admittedly, the most recent year-over-year change included two transfers ($4,595,522 from the working cash fund, which was dissolved, and $1,024,992 from three enterprise funds to recoup payroll expenses that had been absorbed by the general fund) and $175,000 in lease proceeds. Nonetheless, the Village was able to generate a surplus of revenues over expenditures of $1,975,662.

Though faced with significant challenges, the Village's financial picture has indeed improved over the past two years. These gains are attributable to a number of actions taken by the new administration since assuming office at FY 2009 yearend. These include revenue enhancement (such as garbage collection, vehicle registration and the non-abatement of three property tax levies), and expenditure reductions (mostly in payroll and benefits) were instituted as well.

Additionally, a new financial management team was charged with clarifying the village's financial position, assuring its continued liquidity, developing a budget based on realistic cash flow projections and ultimately achieving financial stability.

THE FUTURE

Overall, it is expected that the village's financial health will continue to improve over the next several years despite the serious headwinds mentioned above. Though it is not clear when the economy will fully recover, Village administration anticipates that the economy will remain sluggish for the foreseeable future.

When combined with its lack of home rule powers, revenue projections for at least the next three fiscal years remain constrained. Thus, the responsible management of Village expenditures is as important as ever, if not more so.

It is within this context that those responsible for the Village's direction believe the new paradigm for municipal government lies somewhere between doing *more* with less and doing *less* with less. Accordingly, Village administration and the Board of Trustees are focused not only on cost saving measures, but also on the proper and appropriate role of Village government with an eye toward distilling services down to an optimal array.

ACKNOWLEDGEMENTS

The preparation of this report, indeed, the substantive results achieved in FY 2011 would not have been possible without the dedication, cooperation and assistance provided by all Village personnel.

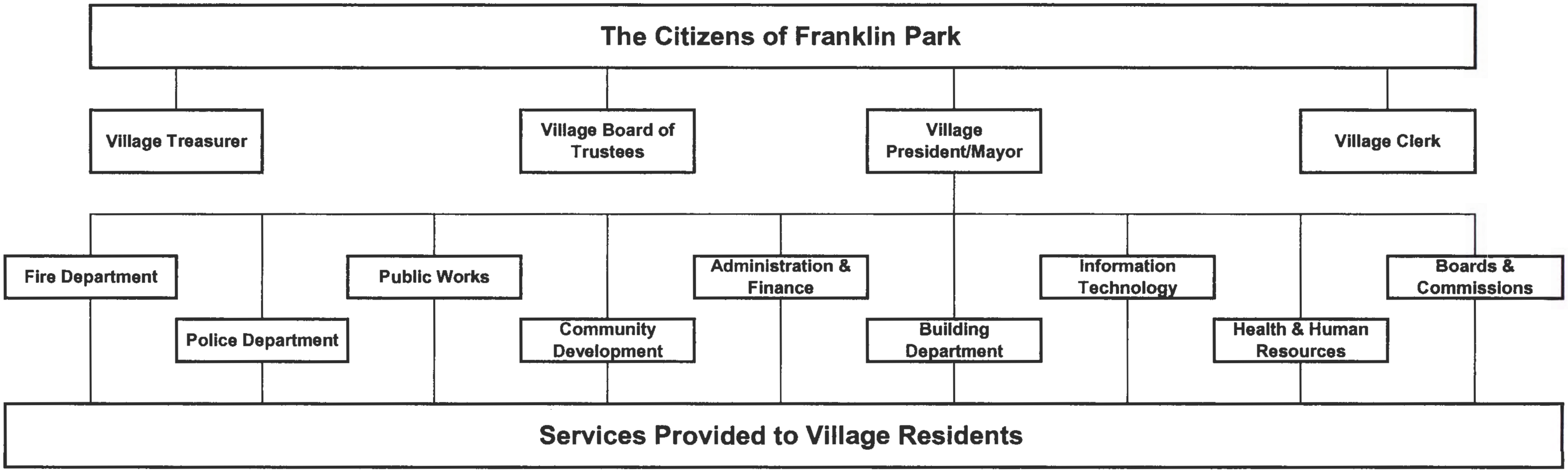
Deserving of special note are Deputy Comptroller Cynthia Perez, Health and Human Resources Director Lisa Anthony, Fire Chief Steve Iovinelli, Police Chief Michael Witz, Utilities Commissioner Joe Lauro, Community Development Director Jeff Eder, Village Clerk Tommy Thomson, and IT Director Dennis Wagner. Additionally, consultants Dave Talbot and Rob Romo were invaluable in this process as was financial intern Tom Gols.

Finally, the financial results achieved this past year would not have been possible without the leadership of Village President Barrett Pedersen and the Village Trustees who collectively have chosen a direction that has allowed these achievements.

Respectfully submitted

Ronald I. Heller
Village Comptroller

Village of Franklin Park, Illinois
Organizational Chart



PRINCIPAL OFFICIALS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Fiscal Year Ended April 30, 2011

BOARD OF TRUSTEES

Name	Position	Term Ends
Barrett F. Pedersen	President	2013
Tommy Thomson	Clerk	2013
Tom Brimie	Trustee	2013
John Johnson	Trustee	2013
Cheryl McLean	Trustee	2015
Randy Petersen	Trustee	2015
Rosalba Rodriguez	Trustee	2013
Bill Ruhl	Trustee	2015

VILLAGE DEPARTMENT HEADS

Lisa Anthony	Health Department
Jeff Eder	Community Development/Building Department
Ron Heller	Administration and Finance Department
Steve Iovinelli	Fire Chief
Joe Lauro	Public Works Department
Dennis Wagner	Information Technology
Michael Witz	Chief of Police

OFFICIAL ISSUING REPORT

Ron Heller	Comptroller

DIVISION ISSUING REPORT

Administration and Finance Department

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois, (Village), as of and for the year ended April 30, 2011 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represents 100 percent and 100 percent, respectively, of the assets and revenues of the Pension Trust Funds for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund and the Firefighters' Pension Fund is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the Police Pension Fund and the Firefighter's Pension Fund were not audited in accordance with *Government Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedules of funding progress, schedules of employer contributions, and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information as of and for the year ended April 30, 2011, as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These sections have not been subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion on them.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
October 27, 2011

As management of the Village of Franklin Park ("Village"), we offer readers of the Village's financial statements this Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2011. As the MD&A is designed to focus on that year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. Comparative analysis with respect to the prior fiscal year is provided so that the reader may better discern the Village's financial dynamics.

FINANCIAL HIGHLIGHTS

Among the more noteworthy changes to emerge from the FY 2011 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities increased by $481 thousand, while liabilities decreased by $4.2 million, resulting in an increase in net assets of $4.7 million before considering the effects of the Village's reclassification of the Garbage Fund from governmental activities to business type activities. After this consideration, net assets increased by $3.2 million.
- Revenues supporting governmental activities increased by $5.6 million from FY 2010, while expenditures declined by $4.9 million.
- Assets employed in business-type activities decreased by $1.7 million as liabilities increased $1.3 million. As a result, net business-type assets declined by $3.0 million before considering the effects of the Village's reclassification of the Garbage Fund from governmental activities to business type activities. After this consideration, net assets decreased by $1.5 million.
- Business-type activity revenues and expenditures each increased; the former by $1.0 million and the latter by $1.1 million.
- Total Village assets decreased by $1.2 million from FY 2010, and total liabilities declined by $2.9 million. As a result, total net assets increased by $1.7 million.
- Total Village revenue increased by $6.6 million and total Village expenditures declined by $3.9 million.

These results are discussed further below. Meanwhile, at the fund level:

- Governmental funds' assets increased by $3.2 million while liabilities declined by $5.6 million. As a result, governmental fund balances increased by $8.8 million before considering the effects of the Village's reclassification of the Garbage Fund from governmental activities to business type activities. After this consideration, fund balance increased by $7.7 million.
- Total governmental fund revenues increased by $4.5 million from FY 2010 levels and governmental fund expenditures declined by $2.4 million.
- General fund revenues grew by $4.4 million from FY 2010 levels while expenditures increased by $2.2 million. This, combined with transfers into the general fund increased that fund's balance by $7.7 million for an ending fund balance of $3.0 million.
- Proprietary funds' assets declined by $821 thousand, while liabilities increased by $2.2 million. As a result, the net assets for proprietary funds dropped $3.0 million.
- Proprietary fund operating revenues increased by $2.1 million from FY 2010 while operating expenses grew by $1.1 million resulting in net operating income of $519 thousand, an improvement of $1.0 million over FY 2010. Non-operating revenues and expenses resulted in the Village's proprietary funds showing a net loss of $1.4 million, essentially unchanged from FY 2010.

These results are described in more detail further below.

(Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Governmental Activities reflect the Village's basic services, including administration, public safety and highways and streets. Property taxes, shared state taxes and local utility taxes finance the majority of these services. Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the working cash fund, both of which are considered to be major funds. Information from the Village's thirteen other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

(Continued)

The Village maintains five types of proprietary, or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sanitary sewer and garbage collection operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water fund and the sanitary sewer and garbage collection funds, all of which are considered to be major funds of the Village. The Village also maintains an internal service fund, which is considered a proprietary fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

The following table presents the condensed *Statement of Net Assets* (in millions) at April 30, 2011, with comparisons to April 30, 2010:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY11	FY10	FY11	FY10	FY11	FY10
Assets:						
Current assets	$28.7	$25.6	$1.9	$2.7	$30.6	$28.3
Non-current, non-capital assets	1.5	1.5	0.1	0.2	1.6	1.6
Capital assets	40.9	43.5	37.7	38.6	78.6	82.0
Total Assets	$71.1	$70.6	$39.7	$41.4	$110.8	$112.0
Liabilities:						
Current liabilities	$16.7	$22.3	$9.6	$6.3	$26.3	$28.6
Non-current liabilities	35.2	33.8	21.0	23.0	56.2	56.8
Total Liabilities	51.9	56.1	30.6	29.3	82.5	85.4
Net Assets:						
Invested in capital assets, net,	13.0	15.1	16.2	15.2	29.2	30.3
Restricted	10.9	7.8	0.0	0.0	10.9	7.8
Unrestricted	(4.7)	(8.4)	(7.1)	(3.1)	(11.8)	(11.5)
Total Net Assets	$19.2	$14.5	$9.1	$12.1	$28.3	$26.6

Assets employed in governmental activities increased by $481 thousand due to an increase of $3.1 million in current assets and a $2.6 million decrease in capital assets. The former rose on

the strength of an additional $2.2 million in cash and investments resulting largely from a general fund surplus of $2.0 million.

Other components of this $3.1 million increase were attributable to an increase of $670 thousand in property tax receivables, and a decrease in the internal balance amount of $869 thousand. These were offset by a $745 thousand decline in accounts receivable. The decrease of $2.6 million in capital assets was due entirely to an excess of depreciation expense of $4.1 million over capital additions of $1.5 million.

Assets employed in business-type activities declined $1.7 million due primarily to the above-mentioned decrease of $869 thousand in internal balances and $874 thousand of depreciation expense over capital additions of $227 thousand.

STATEMENT OF ACTIVITIES

The following table presents the condensed *Statement of Activities* (in millions) at April 30, 2011, with comparisons to April 30, 2010.

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues	FY11	FY10	FY11	FY10	FY11	FY10
Program Revenues:						
Charges for services						
General government	$1.4	$0.9	0.0	0.0	$1.4	$0.9
Public safety	1.6	2.3	0.0	0.0	1.6	2.3
Public health	0.0	0.5	0.0	0.0	0.0	0.5
Building department	0.6	0.7	0.0	0.0	0.6	0.7
Water	0.0	0.0	4.4	4.0	4.4	4.0
Sewer	0.0	0.0	2.4	2.1	2.4	2.1
Garbage	0.0	0.0	1.5	0.0	1.5	0.0
Commuter parking lot	0.0	0.0	0.1	0.1	0.1	0.1
Operating grants/contributions	0.5	0.2	0.0	0.0	0.5	0.2
Capital grants/contributions	1.1	0.2	0.0	0.0	1.1	0.2
General Revenues:						
Property taxes	18.8	14.9	0.0	0.0	18.8	14.9
Other taxes	8.3	8.4	0.0	0.0	8.3	8.4
Other	2.1	0.6	(1.0)	0.0	2.1	0.6
Total Revenues	34.3	28.7	7.3	6.3	41.6	34.9
Expenses						
General government	6.4	6.9	0.0	0.0	6.4	6.9
Public safety	14.7	14.8	0.0	0.0	14.7	14.8
Highways and streets	6.5	7.8	0.0	0.0	6.5	7.8
Public health	0.3	1.8	0.0	0.0	0.3	1.8
Community development	0.8	2.3	0.0	0.0	0.8	2.3
Building department	1.0	1.0	0.0	0.0	1.0	1.0
Interest on long term debt	1.4	1.5	0.0	0.0	1.4	1.5
Water	0.0	0.0	4.7	5.3	4.7	5.3
Sewer	0.0	0.0	2.3	2.4	2.3	2.4
Garbage	0.0	0.0	1.7	0.0	1.7	0.0
Commuter parking lot	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	31.2	36.1	8.7	7.7	39.9	43.8
Change in Net Assets	$3.1	($7.4)	($1.4)	($1.5)	$1.7	($8.9)

(Continued)

Though national economic conditions continued to impact Village finances during FY11, revenues from governmental activities increased from FY10 levels by $5.6 million, or 19.6%. The largest contributor to this increase was property tax revenue, which rose $3.9 million primarily because the Village did not abate several debt service levies. Additionally, operating and capital grant revenue collectively increased $1.1 million, and other revenue increased $1.6 million, largely on the reallocation of $1.0 million in proprietary fund compensation from the general fund.

These revenue increases more than offset an overall decline of $722 thousand in charges for services. Notable changes included a decrease of $515 thousand in public health revenues, as garbage collection was transitioned from general to enterprise fund status, as well as a $634 thousand decline in public safety revenues, as police confiscations dropped by $406 thousand.

Governmental activity expenditures declined by $4.9 million, or 13.7%, as all functions but one showed major decreases.

Highway and street expenditures fell by $1.3 million, as much of the village's road and storm sewer infrastructure became fully depreciated in FY10, effectively capping depreciation expense. This accounted for a decrease of $2.2 million, which was offset by $897 thousand in increased capital outlays.

Public health expenditures declined by $1.5 million entirely due to the transition of the garbage function from a governmental fund to a proprietary fund.

Community development expenditures dropped by a total of $1.4 million. Lower property acquisition and demolition expense in the TIF funds accounted for virtually all of this.

On the business-type activity side, revenues increased $1.1 million or 16.9%. This was largely attributable to an increase in charges for services of $2.1 million, $1.5 million of which was due to the previously mentioned transition of garbage fund activities from the governmental to proprietary side of the house. The balance of this $2.1 million was composed of higher water and sewer revenue of $305 thousand, and $313 thousand in increased penalty revenue as the Village stepped up its collection efforts.[1]

Business-type activity expenditures increased $1.0 million or 13.9%. However adjusting for the $1.7 million due to the transition of the garbage fund, expenditures in the three previously existing proprietary funds actually declined $630 thousand or 8.2%. Approximately $557 thousand of this was due to lower water department expenditures for engineering services, water purchases and decreased water billing refunds of $113 thousand, $261 thousand and $251 thousand, respectively. This was slightly offset by an increase in departmental maintenance expenses of $111 thousand.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance* (in millions) at April 30, 2011, with comparisons to April 30, 2010.

[1] Water and sewer revenue are related such that individual bills are apportioned on a 65/35 basis for water and sewer charges, respectively.

	General Corporate Fund		Other Governmental Funds		Total Governmental Funds	
Revenues	FY11	FY10	FY11	FY10	FY11	FY10
Property taxes	$12.0	$9.3	$6.7	$5.6	$18.7	$14.9
Other taxes.	7.7	7.9	0.6	0.5	8.3	8.4
Licenses, permits, fees	1.3	1.3	0.0	0.0	1.3	1.3
Grants	1.8	0.2	0.0	0.2	1.8	0.4
Other revenue	0.9	0.6	0.0	0.0	0.9	0.6
Fines and forfeitures	0.7	0.9	0.0	0.5	0.7	1.4
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Charges for services	1.1	0.9	0.3	0.8	1.4	1.7
Total revenues	25.5	21.1	7.7	7.6	33.2	28.7
Expenditures						
General government	5.5	4.9	0.6	1.4	6.1	6.3
Public safety	11.9	12.1	0.4	0.4	12.3	12.5
Highways and streets	2.3	1.9	0.2	0.3	2.5	2.2
Public health	0.3	0.3	0.0	1.5	0.3	1.8
Community development	0.4	0.5	0.4	2.4	0.8	2.9
Building department	0.8	0.9	0.0	0.0	0.8	0.9
Debt service	0.1	0.0	1.8	1.9	1.9	2.0
Capital outlay	2.4	0.8	0.1	0.3	2.5	1.1
Total Expenditures	23.6	21.3	3.6	8.3	27.2	29.6
Excess (deficiency) of revenues over (under) expenditures	1.9	(0.2)	4.1	(0.7)	6.0	(0.9)
Other sources (uses), net	5.8	0.1	(4.6)	0.4	1.2	0.5
Change in fund balance	$7.7	($0.1)	($0.5)	($0.3)	$7.2	($0.4)

Both general and total governmental fund revenues increased from FY 2010 levels; the former by $4.4 million, the latter by $4.5 million. Both increased primarily due to $2.7 in additional property tax revenues (in part from an increased levy and in part because Cook County collected more revenue from prior years) and $1.6 million in additional grant funding. Other sources of revenue were essentially flat.

General fund expenditures increased $2.3 million due to increased capital outlay expenditures for a major road resurfacing project ($1.1 million), purchases under the COPS grant ($493 thousand), the purchase of two ambulances and other paramedic equipment ($235 thousand) and increased vehicle lease payments. In contrast, non-general fund governmental fund expenditures declined $4.7 million due, in part to the previously-mentioned transitioning of the garbage function to proprietary fund status ($1.5 million) and $2.1 million less in TIF expenditures, which were elevated in FY 2010 because of the purchase and clearing of land.

PROPRIETARY FUNDS

The following table presents the condensed *Statement of Revenues, Expenditures and Changes in Fund Net Assets* for the Village's proprietary funds (in millions) at April 30, 2011, with comparisons to 2010.

Operating Revenues	Water Fund	Sewer Fund	Garbage Fund	Parking Fund	Total Proprietary Funds FY11	Total Proprietary Funds FY10
Charges for services	$4.4	$2.4	$1.5	$0.1	$8.3	$6.2
Other revenue	0.0	0.0	0.0	0.0	0.0	0.0
Total operating revenues	4.4	2.4	1.5	0.1	8.3	6.2
Operating Expenses						
Administration	1.0	0.5	0.3	0.0	1.8	1.7
Water purchases	2.4	0.0	0.0	0.0	2.4	2.7
Repairs and maintenance	0.5	0.2	0.0	0.0	0.7	0.6
Supplies and services	0.2	0.2	1.3	0.0	1.7	0.5
Depreciation	0.5	0.6	0.0	0.0	1.1	1.1
Total operating expense	4.7	1.4	1.7	0.0	7.8	6.6
Operating income (loss)	(0.3)	1.0	(0.2)	0.1	0.5	(0.4)
Non-Operating Revenues (Expenses)						
Interest expense	(0.0)	(0.9)	0.0	0.0	(0.9)	(0.9)
Other, net	(0.8)	(0.1)	(0.1)	0.0	(1.0)	0.0
Total non-operating revenues (expense)	(0.8)	(1.0)	(0.1)	0.0	(1.9)	(0.9)
Net income (loss)	($1.1)	($0.0)	($0.4)	$0.1	($1.4)	($1.3)
Net assets	$6.2	$4.7	($1.9)	$0.2	$9.1	$12.1

Proprietary fund revenues increased by $2.1 million from FY 2010, $1.5 million as a result of the transition of the garbage fund, and the balance attributable to $621 thousand in higher water and sewer revenue, primarily due to enhanced collection efforts. At the same time, expenditures increased $1.1 million as $1.7 million in garbage fund expenditures which had migrated from the governmental to business side was partially offset by a decrease of $622 thousand in water and sewer expenditures. Contributing to these lower expenditure levels were lower administrative, water purchase and supply expenditures aggregating to $726 thousand.

Non-operating expenses increased $1.0 million due to a $1.0 million charge for salary expenses that had been paid with cash from the general fund.

(Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed *General Fund Budgetary Comparison Schedule* (in millions):

	Adopted Budget	Actual	Variance
Revenues			
Property Taxes	$11.5	$12.0	$0.6
Other Taxes	7.7	7.7	0.0
Licenses, Permits, Fees	1.3	1.3	0.0
Fines & Forfeitures	1.1	0.7	(0.4)
Charges for Services	1.2	1.1	(0.1)
Other	2.4	2.7	0.3
Total	$25.2	$25.5	$0.3
Expenditures			
Current	$20.0	$21.1	($1.1)
Debt Service	0.1	0.1	(0.0)
Capital	1.9	2.4	(0.6)
Total	$22.0	$23.6	($1.6)
Other Sources (Uses), Net	(3.5)	5.8	(9.3)
Change in Fund Balance	($0.3)	$7.7	$8.1

Actual revenues exceeded budget by $337 thousand while actual expenditures came in over budget by $1.5 million. Taken together, this resulted in an overall negative budget variance approximating $1.2 million. Net transfers, capital lease and asset sale proceeds produced a positive variance of $9.3 million.

On the revenue side, property taxes came in at a stronger rate than anticipated, exceeding budget by $567 thousand. Other over budget revenue sources included income taxes, other taxes, grant and other revenue. Under budget revenues included sales taxes, utility taxes, licenses, permits & fees, fines & forfeitures and charges for services. The implications of these variances are discussed more fully under the *Economic Factors* caption.

On the expenditure side, significant negative variances occurred in public safety ($586 thousand) highways and streets ($451 thousand) and capital outlay ($560 thousand). Police and fire pension contributions $674 thousand higher than anticipated were largely responsible for the first; $498 thousand in unbudgeted public works projects were largely responsible for the second and a $1.1 million resurfacing project was primarily responsible for the third.

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2011, the Village had capital asset investments as follows:

CAPITAL ASSETS

Governmental Activities
Change in Capital Assets
(in millions)

(Continued)

	Balance at May 1, 2010	Net Additions (Deletions)	Balance at April 30, 2011
Non-Depreciable Assets:			
Land	$10.3	$0.0	$10.3
Depreciable Assets:			
Infrastructure	127.6	1.2	128.7
Buildings/Improvements	5.7	0.1	5.8
Vehicles/Equipment	6.0	0.3	6.3
Accumulated Depreciation	(106.2)	(4.1)	(110.3)
Totals	$43.5	($2.6)	$40.9

Assets deployed for governmental activities decreased $2.6 million, as capital additions of $1.5 million were more than offset by $4.1 million in depreciation expense. Additions consisted of $296 thousand in new vehicles, primarily two new ambulances, and $1.2 million in infrastructure additions, principally for storm water improvements.

Business-Type Activities
Change in Capital Assets
(in millions)

	Balance at May 1, 2010	Net Additions (Deletions)	Balance at April 30, 2011
Non-Depreciable Assets:			
Land/CIP	$0.2	$0.1	$0.3
Depreciable Assets:			
Water/Sewer System	49.3	0.0	49.3
Storage Reservoir/Pump	5.1	0.1	5.2
Buildings/Improvements	2.1	0.0	2.1
Vehicles/Equipment	2.8	0.1	2.9
Accumulated. Depreciation	(21.0)	(1.1)	(22.1)
Totals	$38.6	($0.9)	$37.7

Business-type capital assets declined by $853 thousand, as $1.1 million in depreciation expense more than offset $227 thousand in additions, primarily for new pumping equipment.

For more detailed information, see Note 3 to the Notes to the Financial Statements.

Debt Administration

At April 30, 2011, the Village had outstanding $59,618,310 in long-term debt, down $415,526 from FY 2010. The Village's current debt is allocated as follows:

Item	Governmental	Business
G.O. Refunding Bonds of 2003	$ 160,000	$ -
G.O. Alternate Revenue Bonds of 2004A	6,215,000	-
G.O. Alternate Revenue Bonds of 2004B	-	15,545,000
G.O. Alternate Revenue Bonds of 2005A	3,830,000	-
G.O. Alternate Revenue Bonds of 2006	9,500,000	-
G.O. Alternate Revenue Bonds of 2007	7,550,000	-
Deferred Premium (Discount), Net	502,444	1,089,173
Loans Payable	-	5,661,510

(Continued)

Leases Payable	$ 632,203	$ 343,631
Compensated Absences	1,128,261	46,891
Net Pension Obligation	2,589,699	-
Net Other Post Employment Benefits	4,430,424	394,074
Totals	$ 36,538,031	$23,080,279

During the course of fiscal 2011, the Village had net additions to governmental debt totaling $1,373,511 and net reductions of $1,789,037 on the business side. The components of these changes are as follows:

Item	Governmental	Business	Total
Net change in bonded debt	($537,081)	($911,087)	($1,448,168)
Net change in leases/loans payable	34,363	(982,971)	(948,608)
Net change in employee-related debt[2]	1,876,229	105,021	1,981,250
Totals	$1,373,511	($1,789,037)	($415,526)

For more detailed information, see Note 4 to the Notes to the Financial Statements.

ECONOMIC FACTORS

With about two thirds of its tax base comprised of industrial property, the Village is the fourth largest manufacturing center in the state. This, combined with its essentially blue collar character makes the Village highly susceptible to economic cyclicality. It is not surprising then to note that the current economic environment has had important effects on the Village.

However, the almost uniform declines in virtually all economically sensitive revenue sources of FY 2010 did not occur in FY 2011. Rather, the Village experienced a more mixed set of revenue outcomes. Notably in the general fund, sales tax revenue fell by about 15.8%, but income tax revenue rose 2.4%. Licenses, permits and fees remained essentially flat while property tax revenue increased significantly as mentioned earlier, but this latter fact was due to a combination of a higher levy and increased county collections.

Overall, the signs of a recovery are difficult to discern from the Village's financial performance. Nevertheless, at this writing, management anticipates that the current sluggish economic climate will persist over the coming year or more, though it is also anticipated that revenue declines are at or near bottom. At sharp variance with these guardedly optimistic expectations is the state's financial plight, which imparts a significant level of uncertainty to the Village's financial fortunes, and the effective "jobless" nature of the recovery, which will continue to affect our residents' financial stability.

All that having been said, the Village's manufacturing character is a strength. In addition, its location adjacent to O'Hare International Airport and proximity to one of the largest rail yards in the nation will allow it to recover more quickly once the economic recovery begins to gain steam. Further, ongoing development around O'Hare Airport puts the Village in a substantially strong position to take advantage of the economic development that will result. The Elgin O'Hare Western Bypass Project going through the Village is a $3.4 billion infrastructure improvement that has been funded to the extent of $3.1 billion by the Illinois Tollway Authority. It will be the largest infrastructure project in the nation, and will create 65,000 permanent new jobs in addition to 35,000 construction jobs. This project will provide the Village with an on-off ramp to the tollway and 70 acre feet of storm water management.

FURTHER INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Office of the Comptroller, Village of Franklin Park, 9500 Belmont Avenue, Franklin Park, IL 60131. The Village of Franklin Parks' police and fire pension funds issue separate financial statements that can be obtained by contacting the Office of the Treasurer, at the above address.

[2] Compensated absences, net pension and net OPEB obligations

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
April 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash	$ 14,494,506	$ 176,431	$ 14,670,937
Investments	2,582,789	-	2,582,789
Property taxes receivable	9,063,875	-	9,063,875
Accrued Interest	334	-	334
Accounts receivable	2,018,950	947,793	2,966,743
Other assets	1,294,516	-	1,294,516
Internal balances	(731,249)	731,249	-
Non-current			
Assets held for resale	837,320	-	837,320
Unamortized bond costs	625,532	143,289	768,821
Capital assets not being depreciated	10,340,098	256,998	10,597,096
Capital assets being depreciated, net	30,538,556	37,446,945	67,985,501
Total assets	71,065,227	39,702,705	110,767,932
Liabilities			
Current			
Cash overdraft liability	1,566,203	6,281,186	7,847,389
Accounts payable	3,277,885	924,304	4,202,189
Accrued payroll	277,196	25,405	302,601
Accrued interest payable	420,607	303,886	724,493
Unearned property tax revenue	8,426,030	-	8,426,030
Other unearned revenue	248,835	-	248,835
Due to pension funds	84,170	-	84,170
Deposits payable	11,000	-	11,000
Short term loans payable	1,000,000	-	1,000,000
Compensated absences payable	664,913	46,891	711,804
Current portion - bonds payable	580,000	1,030,000	1,610,000
Current portion - leases payable	127,629	167,972	295,601
Current portion - loans payable	-	846,113	846,113
Non-current			
Compensated absences payable	463,348	-	463,348
Bonds payable	27,177,444	15,604,173	42,781,617
Leases payable	504,574	175,659	680,233
Loans payable	-	4,815,397	4,815,397
Net pension obligation	2,589,699	-	2,589,699
Net OPEB obligation	4,430,424	394,074	4,824,498
Total liabilities	51,849,957	30,615,060	82,465,017
Net assets			
Invested in capital assets, net of related debt	12,991,451	16,153,802	29,145,253
Restricted assets			
Highways and streets	3,921,028	-	3,921,028
Community development	2,613,883	-	2,613,883
Debt service	4,356,260	-	4,356,260
Unrestricted	(4,667,352)	(7,066,157)	(11,733,509)
Total net assets	$ 19,215,270	$ 9,087,645	$ 28,302,915

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	$ 6,438,478	$ 1,405,288	$ 4,750	$ -	$ (5,028,440)		$ (5,028,440)
Public safety	14,706,048	1,642,993	452,845	-	(12,610,210)		(12,610,210)
Highway and street	6,486,425	-	-	1,082,446	(5,403,979)		(5,403,979)
Public health	281,856	-	-	-	(281,856)		(281,856)
Community development	841,746	12,530	-	-	(829,216)		(829,216)
Building department	1,020,662	616,082	-	-	(404,580)		(404,580)
Interest on long-term debt	1,378,233	-	-	-	(1,378,233)		(1,378,233)
Total government activities	31,153,448	3,676,893	457,595	1,082,446	(25,936,514)		(25,936,514)
Business-type activities							
Water	4,738,227	4,425,761	-	-		$ (312,466)	(312,466)
Sewer	2,296,739	2,358,732	-	-		61,993	61,993
Garbage	1,694,191	1,454,099	-	-		(240,092)	(240,092)
Commuter parking lot	13,805	63,255	-	-		49,450	49,450
Total business-type activities	8,742,962	8,301,847	-	-		(441,115)	(441,115)
Total primary government	$ 39,896,410	$ 11,978,740	$ 457,595	$ 1,082,446	(25,936,514)	(441,115)	(26,377,629)
		General revenues					
		Taxes					
		Property taxes, levied for general purposes			18,752,446	-	18,752,446
		Public service taxes					
		Sales tax			2,023,821	-	2,023,821
		Income tax			1,510,967	-	1,510,967
		Utility tax			3,117,429	-	3,117,429
		Other taxes			1,654,246	-	1,654,246
		Unrestricted investment earnings			6,931	2,498	9,429
		Transfers			1,024,992	(1,024,992)	-
		Miscellaneous revenues			1,023,630	13,123	1,036,753
		Total general revenues			29,114,462	(1,009,371)	28,105,091
		Change in net assets			3,177,948	(1,450,486)	1,727,462
		Net assets - beginning			16,037,322	10,538,131	26,575,453
		Net assets - ending			$ 19,215,270	$ 9,087,645	$ 28,302,915

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2011

	Major Funds				
	General Corporate Fund	Working Cash Fund	Corporate Bond and Interest Fund	Nonmajor Governmental Funds	Total
Assets					
Cash	$ 2,687,771	$ -	$ 3,014,436	$ 8,978,222	$ 14,680,429
Investments	-	-	372,331	2,210,458	2,582,789
Property taxes receivable	6,524,007	-	2,539,868	-	9,063,875
Accrued interest	-	-	-	330	330
Accounts receivable	1,978,840	-	-	40,110	2,018,950
Other assets	1,294,516	-	-	-	1,294,516
Interfund receivables	1,365,205	-	-	1,946,383	3,311,588
Total assets	$ 13,850,339	$ -	$ 5,926,635	$ 13,175,503	$ 32,952,477
Liabilities and fund balances					
Liabilities					
Cash overdraft liability	$ -	$ -	$ -	$ 1,566,203	$ 1,566,203
Accounts payable	824,665	-	-	2,438,088	3,262,753
Accrued payroll	272,223	-	-	101	272,324
Compensated absences payable	664,913	-	-	-	664,913
Deferred property tax revenue	6,029,747	-	2,396,283	-	8,426,030
Other deferred revenue	754,848	-	-	-	754,848
Deposits payable	11,000	-	-	-	11,000
Due to pension funds	84,170	-	-	-	84,170
Interfund payables	1,198,066	-	-	2,886,588	4,084,654
Short term loans payable	1,000,000	-	-	-	1,000,000
Total liabilities	10,839,632	-	2,396,283	6,890,980	20,126,895
Fund balances					
Reserved for interfunds	1,365,205	-	-	1,946,383	3,311,588
Reserved for public safety	-	-	-	669,767	669,767
Reserved for highway and streets	-	-	-	3,921,028	3,921,028
Reserved for community development	-	-	-	2,613,883	2,613,883
Reserved for debt service	-	-	3,530,352	825,908	4,356,260
Reserved for capital projects	-	-	-	313,589	313,589
Unreserved	1,645,502	-	-	-	1,645,502
Unreserved - special revenue funds	-	-	-	(2,062,248)	(2,062,248)
Unreserved - debt service funds	-	-	-	(1,190,956)	(1,190,956)
Unreserved - capital project funds	-	-	-	(752,831)	(752,831)
Total fund balances	3,010,707	-	3,530,352	6,284,523	12,825,582
Total liabilities and fund balances	$ 13,850,339	$ -	$ 5,926,635	$ 13,175,503	$ 32,952,477

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2011

Total fund balances - governmental funds		$ 12,825,582
Amounts reported for governmental activities in the net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	151,157,498	
Accumulated depreciation	(110,278,844)	
Net capital assets		40,878,654
Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:		
State and local taxes	506,013	
Assets held for resale	837,320	
		1,343,333
Interest on long-term debt is not accrued in the governmental funds but rather recognized when due:		(420,607)
Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.		625,532
Balance sheet items from the Village's internal service fund are allocated to the governmental and business type activies for the government-wide statements		(164,106)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Bonds payable	(27,757,444)	
Leases payable	(632,203)	
Compensated absences payable	(463,348)	
Net pension obligation	(2,589,699)	
Net OPEB obligation	(4,430,424)	
Total long-term liabilities		(35,873,118)
Net assets of governmental activities		$ 19,215,270

See accompanying notes to financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2011

	Major Funds				
	General Corporate Fund	Working Cash Fund	Corporate Bond and Interest Fund	Nonmajor Governmental Funds	Total
Revenues					
Property taxes	$ 12,023,736	$ 1,172	$ 4,215,718	$ 2,511,820	$ 18,752,446
Sales taxes	2,023,821	-	-	-	2,023,821
Income taxes	1,510,967	-	-	-	1,510,967
Utility taxes	3,117,429	-	-	-	3,117,429
Other taxes	1,068,662	-	-	640,958	1,709,620
Licenses, permits and fees	1,295,823	-	-	-	1,295,823
Grant revenue	1,826,606	-	-	-	1,826,606
Other revenue	869,299	-	-	24,078	893,377
Fines and forfeitures	684,958	-	-	49,645	734,603
Investment income	2,223	-	149	4,559	6,931
Charges for services	1,088,850	-	-	271,052	1,359,902
Total revenues	25,512,374	1,172	4,215,867	3,502,112	33,231,525
Expenditures					
Current					
General government	5,480,346	-	6,846	634,651	6,121,843
Public safety	11,902,614	-	-	432,285	12,334,899
Highway and street	2,251,870	-	-	249,564	2,501,434
Public health	255,172	-	-	-	255,172
Community development	363,162	-	-	437,784	800,946
Building department	785,341	-	-	-	785,341
Debt service					
Principal	-	-	520,000	-	520,000
Interest and other charges	80,929	-	1,254,693	33,115	1,368,737
Capital outlay	2,417,278	-	-	45,437	2,462,715
Total expenditures	23,536,712	-	1,781,539	1,832,836	27,151,087
Excess (deficiency) of revenues over (under) expenditures	1,975,662	1,172	2,434,328	1,669,276	6,080,438
Other financing sources (uses)					
Transfers in	5,620,514	-	999,808	-	6,620,322
Transfers out	-	(4,595,522)	-	(999,808)	(5,595,330)
Proceeds from capital lease	175,000	-	-	-	175,000
Total other financing sources (uses)	5,795,514	(4,595,522)	999,808	(999,808)	1,199,992
Net changes in fund balances	7,771,176	(4,594,350)	3,434,136	669,468	7,280,430
Fund balances at beginning of year	(4,760,469)	4,594,350	96,216	5,615,055	5,545,152
Fund balances at end of year	$ 3,010,707	$ -	$ 3,530,352	$ 6,284,523	$ 12,825,582

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2011

Net change in fund balances - total governmental funds		$ 7,280,430
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay	1,542,724	
Depreciation	(4,119,749)	
Capital outlay in excess of depreciation		(2,577,025)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.		
Principal retirement - bonds	520,000	
Principal retirement - leases	140,637	
Proceeds from capital leases	(175,000)	
		485,637
Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:		74,879
Revenues and expenditures for the internal service fund are not shown on the governmental fund statements. For the government wide statements, these revenues and expenditures are allocated to the governmental and business type activities		(164,106)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Amortization of deferred bond issuance costs, premium and discount	(12,440)	
Change in compensated absences payable	(81,814)	
Change in net pension obligation	(216,197)	
Change in net OPEB obligation	(1,614,360)	
Change in accrued interest on debt	2,944	
Total expenses of non-current resources		(1,921,867)
Change in net assets of governmental activities		$ 3,177,948

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2011

	Major Funds		Nonmajor Funds			Internal Service
	Water Fund	Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total	Fleet Maintenance Fund
Assets						
Current assets:						
Cash	$ -	$ -	$ -	$ 176,431	$ 176,431	$ -
Accounts receivable	370,762	350,848	226,183	-	947,793	4
Interfund receivable	1,178,066	420,000	-	-	1,598,066	-
Total current assets	1,548,828	770,848	226,183	176,431	2,722,290	4
Noncurrent assets:						
Unamortized bond costs	-	143,289	-	-	143,289	-
Capital assets, not being depreciated	221,998	35,000	-	-	256,998	-
Capital assets, net of accumulated depreciation	8,754,465	28,692,480	-	-	37,446,945	-
Total noncurrent assets	8,976,463	28,870,769	-	-	37,847,232	-
Total assets	10,525,291	29,641,617	226,183	176,431	40,569,522	4
Liabilities						
Current liabilities:						
Cash overdraft liability	2,418,253	1,929,825	1,933,108	-	6,281,186	185,923
Accounts payable	516,430	187,370	220,504	-	924,304	15,132
Accrued payroll	15,454	5,955	3,996	-	25,405	4,872
Compensated absences payable	23,445	23,446	-	-	46,891	-
Accrued interest payable	2,521	301,365	-	-	303,886	-
Interfunds payable	825,000	-	-	-	825,000	-
Current portion - bonds payable	-	1,030,000	-	-	1,030,000	-
Current portion - loans payable	-	846,113	-	-	846,113	-
Current portion - leases payable	167,972	-	-	-	167,972	-
Total current liabilities	3,969,075	4,324,074	2,157,608	-	10,450,757	205,927
Noncurrent liabilities:						
Noncurrent portion - bonds payable	-	15,604,173	-	-	15,604,173	-
Noncurrent portion - loans payable	-	4,815,397	-	-	4,815,397	-
Noncurrent portion - leases payable	175,659	-	-	-	175,659	-
Net OPEB obligation	197,037	197,037	-	-	394,074	-
Total noncurrent liabilities	372,696	20,616,607	-	-	20,989,303	-
Total liabilities	4,341,771	24,940,681	2,157,608	-	31,440,060	205,927
Net assets						
Invested in capital assets, Net of related debt	8,632,832	7,520,970	-	-	16,153,802	-
Unrestricted	(2,449,312)	(2,820,034)	(1,931,425)	176,431	(7,024,340)	(205,923)
Total net assets	$ 6,183,520	$ 4,700,936	$ (1,931,425)	$ 176,431	$ 9,129,462	$ (205,923)

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended April 30, 2011

	Major Funds		Nonmajor Funds			Internal Service
	Water Fund	Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total	Fleet Maintenance Fund
Operating revenues						
Charges for services	$ 4,425,761	$ 2,358,732	$ 1,454,099	$ 63,255	$ 8,301,847	$ 382,686
Other revenue	11,890	72	-	1,161	13,123	179
Total operating revenues	4,437,651	2,358,804	1,454,099	64,416	8,314,970	382,865
Operating expenses						
Administration	1,042,948	467,211	328,119	12,013	1,850,291	224,090
Water purchases	2,409,950	-	-	-	2,409,950	-
Repairs & maintenance	482,243	199,633	46,930	1,792	730,598	-
Supplies & services	237,074	166,236	1,300,371	-	1,703,681	364,698
Depreciation	531,975	569,005	-	-	1,100,980	-
Total operating expenses	4,704,190	1,402,085	1,675,420	13,805	7,795,500	588,788
Operating income (loss)	(266,539)	956,719	(221,321)	50,611	519,470	(205,923)
Non-operating revenues (expenses)						
Transfer out	(770,594)	(107,991)	(146,407)	-	(1,024,992)	-
Investment income	2,292	-	-	206	2,498	-
Interest expense	(21,779)	(883,866)	-	-	(905,645)	-
Total non-operating revenues (expenses)	(790,081)	(991,857)	(146,407)	206	(1,928,139)	-
Net income (loss)	(1,056,620)	(35,138)	(367,728)	50,817	(1,408,669)	(205,923)
Net assets at beginning of year	7,240,140	4,736,074	(1,563,697)	125,614	10,538,131	-
Net assets at end of year	$ 6,183,520	$ 4,700,936	$ (1,931,425)	$ 176,431	$ 9,129,462	$ (205,923)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2011

	Major Funds		Nonmajor Funds			Internal Service
	Water Fund	Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total Enterprise Funds	Fleet Maintenance Fund
Cash flows provided (used) by operating activities						
Receipts from customers	$ 4,601,738	$ 2,428,045	$ 1,424,312	$ 64,416	$ 8,518,511	$ 382,861
Payments to suppliers	(4,017,017)	929,708	(1,128,656)	(14,032)	(4,229,997)	(186,478)
Payments to employees	(791,548)	(117,262)	(149,249)	-	(1,058,059)	(196,383)
Net cash provided (used) by operating activities	(206,827)	3,240,491	146,407	50,384	3,230,455	-
Cash flows provided (used) by non-capital and related financing activities						
Interfund borrowing	1,331,934	(505,000)	-	-	826,934	-
Interfund transfers	(770,594)	(107,991)	(146,407)	-	(1,024,992)	-
Net cash provided (used) by non-capital and related financing activities	561,340	(612,991)	(146,407)	-	(198,058)	-
Cash flows used by capital and related financing activities						
Principal paid on capital asset acquisition debt	(161,370)	(1,661,602)	-	-	(1,822,972)	-
Interest paid on capital asset acquisition debt	(19,257)	(965,898)	-	-	(985,155)	-
Purchases of capital assets	(176,178)	-	-	-	(176,178)	-
Net cash used by capital and related financing activities	(356,805)	(2,627,500)	-	-	(2,984,305)	-
Cash flows provided by investing activities						
Interest	2,292	-	-	206	2,498	-
Net cash provided by investing activities	2,292	-	-	206	2,498	-
Net increase in cash and cash equivalents	-	-	-	50,590	50,590	-
Balances - beginning of the year	-	-	-	125,841	125,841	-
Balances - end of year	$ -	$ -	$ -	$ 176,431	$ 176,431	$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ (266,539)	$ 956,719	$ (221,321)	$ 50,611	$ 519,470	$ (205,923)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	531,975	569,005	-	-	1,100,980	-
Change in assets and liabilities:						
Decrease (increase) receivables, net	164,087	69,241	(29,787)	-	203,541	(4)
(Decrease) increase accounts payable	(684,731)	1,589,533	397,616	(227)	1,302,191	201,055
(Decrease) increase accrued payroll	(4,129)	3,482	(101)	-	(748)	4,872
(Decrease) increase compensated absences	(7,528)	(7,527)	-	-	(15,055)	-
(Decrease) increase OPEB obligation	60,038	60,038	-	-	120,076	-
Net cash provided (used) by operating activities	$ (206,827)	$ 3,240,491	$ 146,407	$ 50,384	$ 3,230,455	$ -
Supplemental disclosures of non-cash transactions						
Purchases of capital assets	$ 71,998	$ -	$ -	$ -	$ 71,998	$ -
Change in net OPEB obligation	60,038	60,038	-	-	120,076	-

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2011

	Pension Trust Funds	Agency Funds
Assets		
Cash	$ 32,858	$ 351,450
Investments:		
Certificates of deposit	8,062,567	-
State and local obligations	924,610	-
US government and agency obligations	11,536,179	-
US government backed securities	-	-
Insurance contracts	13,018,281	-
Equity securities	1,823,775	-
Equity mutual funds	3,043,886	-
Money market mutual funds	2,472,689	-
Accrued interest receivable	113,125	-
Other receivable	-	419
Due from village	84,170	-
Prepaids	2,754	-
Total assets	41,114,894	$ 351,869
Liabilities		
Accounts payable	33,486	$ -
Deposits payable	86,166	351,869
Total liabilities	119,652	$ 351,869
Net assets		
Held in trust for pension benefits and other purposes	40,995,242	
Total net assets	$ 40,995,242	

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2011

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 2,756,735
Plan members	622,479
Total contributions	3,379,214
Net investment earnings	3,539,631
Total additions	6,918,845
Deductions	
Benefits	4,053,005
Administrative expenses	91,710
Total deductions	4,144,715
Change in net assets	2,774,130
Net assets - beginning of year	38,221,112
Net assets - end of year	$ 40,995,242

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Franklin Park, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan, Firefighter's Pension Plan and Foreign Fire Insurance Premium Tax Fund have been included in the financial reporting entity as blended component units.

Police Pension Plan – The Village's police department employees participate in the Police Pension Plan ("Police Pension Plan"). The Police Pension Plan functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the President, one elected pension beneficiary, and two elected police employees constitute the pension board. The Village is obligated to fund all Police Pension Plan costs based on actuarial valuations. The nature of the Police Pension Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Police Pension Plan can be obtained from the Village by contacting the Village Controller.

Firefighter's Pension Plan – The Village's fire department employees participate in the Firefighter's Pension Plan ("Firefighter's Pension Plan"). The Firefighter's Pension Plan functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The Village is obligated to fund all Firefighter's Pension Plan costs based on actuarial valuations. The nature of the Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Firefighter's Pension Plan can be obtained from the Village by contacting the Village Controller.

Foreign Fire Insurance Premium Tax Fund – The Foreign Fire Insurance Premium Tax Fund was established to account for the fire department's allocable foreign fire insurance tax revenue. This revenue is provided to the fire department as an inducement to assist neighboring communities in emergency situations. The fund is governed by a board that includes members of the Board of Trustees and fire department personnel, all of which are elected by the members of the fire department. The fund is included within the Village's reporting entity as a special revenue fund.

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statements – The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2011, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Corporate Fund – The General Corporate Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Working Cash Fund – This special revenue fund is used to account for resources utilized for investment and daily operations Village.

Corporate Bond and Interest Fund – This debt service fund is used to account for resources utilized for payment of principal and interest of the Village's long term debt.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the operating activities of the Village's water utilities services.

Sewer Fund – The Sewer Fund accounts for the operating activities of the Village's sewer utilities services.

Garbage Fund – The Garbage Fund accounts for the operating activities of the Village's refuse utilities services.

Commuter Parking Lot Fund – The Commuter Parking Lot fund accounts for the operating activities of the Village's parking lot activities.

Internal Service Fund

Internal service funds account for fleet maintenance services provided to other departments of the Village on a cost reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has two pension trust funds that account for the Police Pension Plan and the Firefighter's Pension Plan.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental Funds

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs

Capital Projects Fund – The Capital Projects Fund is used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Loans: Noncurrent portions of long-term interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of $10,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Infrastructure	20-75 years
Water and sewer system	10-75 years
Vehicles and equipment	5-10 years

Investments: Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the Police Pension Plan and Fire Pension Plan with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Equity/Net Assets: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds had deficit fund balances at April 30, 2011:

Fund	Amount
IMRF Fund	$ 48,881
Downtown Franklin Avenue TIF Fund	2,158,001
Resurrection TIF Fund	1,190,956
Seymour Avenue Capital Projects Fund	658,268
Police Station Fund	94,563
Garbage Fund	1,931,425
Fleet Maintenance Fund	205,923

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are reimbursed for accumulated sick and vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is lost on January 1 of the following year. Police and Fire department and employees are paid out for unused sick and vacation time upon termination of employment or retirement per standing union contracts. Non-union Village employees are paid out for 25% of unused sick time and 100% of unused vacation time. As such, the total liability as of the fiscal year end is $1,175,152.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

Deferred Revenue: The Village reports deferred and unearned revenues on its financial statements. Deferred revenues arise when potential revenue does not meet both the measureable and available criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred and unearned revenue is removed from the balance sheet or statement of net assets and revenue is recognized.

Accounting For Proprietary Fund Activities: The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, to the proprietary fund activities.

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are not anticipated to occur within the next fiscal year. As such, they are classified as a noncurrent asset in the Government-wide statements valued at cost. The carrying amount as of April 30, 2011 was $837,320.

NOTE 2 - CASH AND INVESTMENTS

Permitted Deposits and Investments: Statues authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. The Pension Trust Funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. Pension funds with net assets of $2.5 million or more may invest up to 45% of plan net assets in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net assets of at least $5 million that have appointed an investment advisor may invest up to 45% of the plan's net assets in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The shares do not mature.

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was $5,892,743 at April 30, 2011, while the bank balances were $6,718,009. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2011. All investments mature in less than one year:

Investment Types	Fair Value
Money market mutual fund	$ 2,852,789
Treasurer Illinois Funds	1,012,255
Total investments	$ 3,865,044

Interest Rate Risk – The Village limits its exposure to interest rate risk by structuring its portfolio so that it does not investing any operating funds in any debt instruments other than U.S. Agencies and Illinois Funds.

Credit Risk – The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Agencies and Illinois Funds. The United States Agencies are implicitly guaranteed by the United States Government. Illinois Funds are rated AAAm by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village limits its exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Village, to act as custodians for its securities and collateral. The Village's investments are fully collateralized as of April 30, 2011.

Concentration of Credit Risk – The Village limits the amount the Village may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Village's investments are in Amalgamated Bank money market mutual fund, Wells Fargo money market mutual fund and Illinois Funds. These investments are 64%, 10% and 26%, respectively, of the Village's investments. The concentration of investments in Amalgamated Bank money market fund is a violation of the Village's investment policy.

Cash – Police Pension Plan: At April 30, 2011, the Police Pension Plan's carrying amount of cash was $7,512 while the bank balances were $9,262. The FDIC insures bank balances up to $250,000. As of April 30, 2011, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Plan's name by a financial institution acting as the Police Pension Plan's agent.

Certificates of Deposit – Police Pension Plan: Certificates of Deposit amounted to $8,062,567 at April 30, 2011. In accordance with Police Pension Plan policy, certificates of deposit of $8,001,483 were collateralized with securities of the U.S. Government. $49,128 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Plan's name by financial institutions acting as the Police Pension Plan agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments – Police Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2011:

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Investment Maturities: Less than One Year	Investment Maturities: Greater than Ten Years
U.S. Agencies	$ 910,540	$ -	$ 910,540
U.S. Treasury Bills	1,499,970	1,499,970	-
Total	2,410,510	$ 1,499,970	$ 910,540
Investments Not Sensitive to Interest Rate Risk:			
Mutual Funds	2,143,017		
Life Insurance Annuities	7,566,503		
Total Investments	$ 12,120,030		

Interest Rate Risk – The Police Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Police Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Police Pension Plan's investment policy also prescribes the "prudent person" rule.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Police Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. Although not required by the Police Pension Plan's investment policy, the Police Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Police Pension Plan places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Plan's investments are in Scudder Gateway Insurance Contract, SunLife Insurance Contract, Jackson National Life Insurance Contracts, MetLife Insurance Contracts and ING USA Insurance Contracts. These investments are 17%, 11%, 10%, 8%, and 8%, respectively, of the Police Pension Plan's total investments.

Cash – Firefighter's Pension Plan: At April 30, 2011, the Firefighter's Pension Plan's carrying amount of cash was $25,346 while the bank balances were $29,114. The FDIC insures bank balances up to $250,000. As of April 30, 2011, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter's Pension Plan's name by a financial institution acting as the Firefighter's Pension Plan's agent.

Investments – Firefighter's Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2011:

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

		Investment Maturities			
Investment Type	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
State and Local Obligations	$ 924,610	$ -	$ 924,610	$ -	$ -
U.S. Treasury Notes	5,523,374	-	3,117,402	2,405,972	-
U.S. Agencies	3,602,295	-	2,302,745	1,178,023	121,527
Total	10,050,279	$ -	$ 6,344,757	$ 3,583,995	$ 121,527
Investments Not Sensitive to Interest Rate Risk:					
Equity Securities	1,823,775				
Mutual Funds	3,373,558				
Life Insurance Annuities	5,451,778				
Total Investments	$ 20,699,390				

Interest Rate Risk – The Firefighter's Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighter's Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Firefighter's Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Firefighter's Pension Plan's investment policy also prescribes the "prudent person" rule. Unrated investments are listed below:

Investment	Par Value	Interest Rate	Maturity Date
State of Illinois Obligation Bond	$ 430,000	3.321%	1/1/2013
State of Illinois Obligation Bond	475,000	4.421%	1/1/2015
Federal Home Loan Mortgage Corporation	2,030	7.000%	9/1/2015
Federal Home Loan Mortgage Corporation	1,259	7.000%	2/1/2032
Federal Home Loan Mortgage Corporation	491,811	4.000%	6/1/2020
Federal National Mortgage Association	10,086	7.500%	7/1/2029
Federal National Mortgage Association	5,305	7.000%	10/1/2029
Federal National Mortgage Association	8,726	7.000%	7/1/2032

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighter's Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Firefighter's Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighter's Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Firefighter's Pension Plan has a stated target that 55% of the portfolio be in fixed income securities, 40% in equities and 5% in real estate. More than 5% of the Firefighter's Pension Plan's investments are in Pridex Wishire Insurance Contract, Principal Life Insurance Contract and Artisan International Fund. These investments are 21%, 6% and 6%, respectively, of the Firefighter's Pension Plan's total investments.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:	
Statement of net assets	
Cash	$ 14,670,937
Investments	2,582,789
Cash overdraft liability	(7,847,389)
Statement of fiduciary net assets	
Pension trust funds	
Cash	32,858
Certificates of deposit	8,062,567
State and local obligations	924,610
US government and agency obligations	11,536,179
Insurance contracts	13,018,281
Equity securities	1,823,775
Equity mutual funds	3,043,886
Money market mutual funds	2,472,689
Agency funds	
Cash	351,450
Total	$ 50,672,632

Cash and investments per footnote:	
Cash	$ 5,892,743
Investments	3,865,044
Cash – Police Pension Plan	7,512
Certificate of deposits – Police Pension Plan	8,062,567
Investments – Police Pension Plan	12,120,030
Cash – Firefighter's Pension Plan	25,346
Investments – Firefighter's Pension Plan	20,699,390
Total	$ 50,672,632

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2010 through April 30, 2011 follows:

	Balance at May 1, 2010	Additions	Deletions	Balance at April 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 10,340,098	$ -	$ -	$ 10,340,098
Total capital assets being not depreciated	10,340,098	-	-	10,340,098
Capital assets being depreciated:				
Infrastructure	127,558,760	1,184,346	-	128,743,106
Buildings and improvements	5,737,010	61,978	-	5,798,988
Vehicles and equipment	5,978,906	296,400	-	6,275,306
Subtotal	139,274,676	1,542,724	-	140,817,400
Less accumulated depreciation:				
Infrastructure	(98,353,461)	(3,650,667)	-	(102,004,128)
Buildings and improvements	(3,066,921)	(118,136)	-	(3,185,057)
Vehicles and equipment	(4,738,713)	(350,946)	-	(5,089,659)
Total accumulated depreciation	(106,159,095)	(4,119,749)	-	(110,278,844)
Total capital assets being depreciated, net	33,115,581	(2,577,025)	-	30,538,556
Governmental activities capital assets, net	$ 43,455,679	$ (2,577,025)	$ -	$ 40,878,654

Depreciation expenses for the Village's Governmental Activities were charged to the following functions:

General government	$ 110,271
Public safety	183,446
Highway and street	3,826,032
Total	$ 4,119,749

(Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2010 through April 30, 2011 follows:

	Balance at May 1, 2010	Additions	Deletions	Balance at April 30, 2011
Business-Type activities:				
Capital assets not being depreciated:				
Land	$ 185,000	$ -	$ -	$ 185,000
Construction in progress	50,981	71,998	(50,981)	71,998
Total capital assets being not depreciated	235,981	71,998	(50,981)	256,998
Capital assets being depreciated:				
Water and sewer system	49,261,501	32,903	-	49,294,404
Storage reservoir/pump	5,140,178	143,275	-	5,283,453
Buildings and improvements	2,109,296	-	-	2,109,296
Vehicles and equipment	2,803,307	50,981	-	2,854,288
Subtotal	59,314,282	227,159	-	59,541,441
Less accumulated depreciation:				
Water and sewer system	(15,151,632)	(826,016)	-	(15,977,648)
Storage reservoir/pump	(2,481,074)	(137,593)	-	(2,618,667)
Buildings and improvements	(862,605)	(53,656)	-	(916,261)
Vehicles and equipment	(2,498,205)	(83,715)	-	(2,581,920)
Total accumulated depreciation	(20,993,516)	(1,100,980)	-	(22,094,496)
Total capital assets being depreciated, net	38,320,765	(873,821)	-	37,446,945
Business-Type activities capital assets, net	$ 38,556,746	$ (801,823)	$ (50,981)	$ 37,703,943

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

Water	$ 531,975
Sewer	569,005
Total	$ 1,100,980

(Continued)

NOTE 4 – LONG-TERM DEBT

A summary of the changes in the Village's long term debt is summarized below.

Governmental Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Refunding – 2003	$ 235,000	$ -	$ 75,000	$ 160,000	$ 80,000
G.O. Alt. Rev. – 2004A	6,215,000	-	-	6,215,000	-
G.O. Alt. Rev. – 2005A	3,965,000	-	135,000	3,830,000	140,000
G.O. Alt. Rev. – 2006	9,500,000	-	-	9,500,000	40,000
G.O. Alt. Rev. – 2007	7,860,000	-	310,000	7,550,000	320,000
Plus deferred premium	766,159	-	25,202	740,957	-
Less deferred discount	(246,634)	-	(8,121)	(238,513)	-
Total G.O. Bonds	28,294,525	-	537,081	27,757,444	580,000
Leases payable	597,840	175,000	140,637	632,203	127,629
Compensated absences	1,082,589	869,214	823,542	1,128,261	664,913
Net pension obligation	2,373,502	216,197	-	2,589,699	-
Net OPEB obligation	2,816,064	1,614,360	-	4,430,424	-
Total	$ 35,164,520	$ 2,874,771	$ 1,501,260	$ 36,538,031	$ 1,372,542

Business-Type Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Alt. Rev. – 2004B	$ 16,385,000	$ -	$ 840,000	$ 15,545,000	$ 1,030,000
Plus deferred premium	1,160,260	-	71,087	1,089,173	-
Total G.O. Bonds	17,545,260	-	911,087	16,634,173	1,030,000
Leases payable	505,000	-	161,369	343,631	167,972
Loans payable	6,483,112	-	821,602	5,661,510	846,113
Compensated absences	61,946	31,593	46,648	46,891	46,891
Net OPEB obligation	273,998	120,076	-	394,074	-
Total	$ 24,869,316	$ 151,669	$ 1,940,706	$ 23,080,279	$ 2,090,976

General Obligation Refunding Bonds, Series 2003 – On September 15, 2003, the Village Board authorized the issuance of $650,000 General Obligation Refunding Bonds, Series 2003, dated October 1, 2003. The bonds were issued to refund in advance of their respective maturities $600,000 in aggregate principal amount of the Village's Corporate Purpose Bonds Series 1992 and pay costs associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2012 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2012	$ 80,000	$ 6,760	$ 86,760	4.15%
2013	80,000	3,440	83,440	4.30%
Total	$ 160,000	$ 10,200	$ 170,200	

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004A – The Village Board authorized the issuance of $14,865,000 General Obligation Bonds (Alternate Revenue Source), Series 2004A, dated February 4, 2004. The bonds were issued to provide funds to finance certain capital improvements in the Village and to pay the costs of issuance of the Series 2004A Bonds. A portion of the Project is expected to provide relief from traffic congestion and delay caused by the at-grade crossing of two railroads with a main Village Street. $8,650,000 of these bonds was refunded by the issuance of General Obligation Refunding Bonds (Alternative Revenue Source), Series 2006. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2034 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2012	$ -	$ 310,750	$ 310,750	5.00%
2013	-	310,750	310,750	5.00%
2014	-	310,750	310,750	5.00%
2015	-	310,750	310,750	5.00%
2016	-	310,750	310,750	5.00%
2017	-	310,750	310,750	5.00%
2018	-	310,750	310,750	5.00%
2019	-	310,750	310,750	5.00%
2020	-	310,750	310,750	5.00%
2021	-	310,750	310,750	5.00%
2022	-	310,750	310,750	5.00%
2023	-	310,750	310,750	5.00%
2024	-	310,750	310,750	5.00%
2025	-	310,750	310,750	5.00%
2026	-	310,750	310,750	5.00%
2027	-	310,750	310,750	5.00%
2028	-	310,750	310,750	5.00%
2029	-	310,750	310,750	5.00%
2030	-	310,750	310,750	5.00%
2031	240,000	304,750	544,750	5.00%
2032	1,385,000	264,125	1,649,125	5.00%
2033	1,455,000	193,125	1,648,125	5.00%
2034	1,530,000	118,500	1,648,500	5.00%
2035	1,605,000	40,125	1,645,125	5.00%
Total	$ 6,215,000	$ 6,824,875	$ 13,039,985	

General Obligation Alternate Revenue Bonds, Series 2005A – The Village Board authorized the issuance of $4,165,000 General Obligation Bonds (Alternate Revenue Source), Series 2005A, dated January 1, 2005. The bonds were issued to provide funds for certain land acquisition and site preparation costs within the Downtown Franklin Avenue TIF, to fund certain capitalized interest on the bonds, and to fund certain costs associated with the issuance of the bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF funds. The principal and interest payments to maturity at July 1, 2024 are as follows:

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2012	$ 140,000	$ 190,998	$ 330,998	5.00%
2013	145,000	183,998	328,998	5.00%
2014	180,000	177,328	357,328	4.60%
2015	190,000	170,848	360,848	3.60%
2016	195,000	163,818	358,818	3.70%
2017	240,000	156,310	396,310	3.85%
2018	250,000	146,950	396,950	3.90%
2019	260,000	136,950	396,950	4.00%
2020	310,000	122,650	432,650	4.00%
2021	325,000	105,600	430,600	4.00%
2022	340,000	87,725	427,725	4.00%
2023	400,000	69,025	469,025	4.20%
2024	415,000	47,025	462,025	4.20%
2025	440,000	12,100	452,100	4.30%
Total	$ 3,830,000	$ 1,771,325	$ 5,601,325	

General Obligation Alternate Revenue Bonds, Series 2006 – The Village Board authorized the issuance of $9,500,000 General Obligation Bonds (Alternative Revenue Source), Series 2006. The bonds were issued to refund in advance of their respective maturities $8,650,000 in aggregate principal of the Village's General Obligation Bonds, (Alternative Revenue Source), Series 2004A and pay costs of $850,000 associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2030 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2012	$ 40,000	$ 379,200	$ 419,200	4.00%
2013	40,000	377,600	417,600	4.00%
2014	45,000	375,900	420,900	4.00%
2015	45,000	374,100	419,100	4.00%
2016	50,000	372,200	422,200	4.00%
2017	50,000	370,200	420,200	4.00%
2018	50,000	368,200	418,200	4.00%
2019	55,000	366,100	421,100	4.00%
2020	55,000	363,900	418,900	4.00%
2021	60,000	361,600	421,600	4.00%
2022	60,000	359,200	419,200	4.00%
2023	65,000	356,700	421,700	4.00%
2024	985,000	335,700	1,320,700	4.00%
2025	1,030,000	295,400	1,325,400	4.00%
2026	1,070,000	253,400	1,323,400	4.00%
2027	1,110,000	209,800	1,319,800	4.00%
2028	1,160,000	164,400	1,324,400	4.00%
2029	1,205,000	117,100	1,322,100	4.00%
2030	1,255,000	67,900	1,322,900	4.00%
2031	1,070,000	21,400	1,091,400	4.00%
Total	$ 9,500,000	$ 5,890,000	$ 15,390,000	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2007 – The Village Board authorized the issuance of $8,155,000 General Obligation Bonds (Alternative Revenue Source), Series 2007. The bonds were issued to assist the Village in upgrading and/or expanding the Franklin Park Mall located within the Grand-Mannheim TIF District, and the West Mannheim Residential TIF District and the Resurrection TIF District (collectively the "TIF Districts"); to fund certain capitalized interest on the Bonds; to fund in part a Debt Service Reserve Fund; and to fund certain costs associated with the issuance of the Bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF Districts. The principal and interest payments to maturity at January 1, 2023 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2012	$ 320,000	$ 344,970	$ 664,970	4.00%
2013	415,000	332,170	747,170	4.05%
2014	435,000	315,363	750,363	4.10%
2015	450,000	297,528	747,528	4.20%
2016	555,000	278,626	833,626	5.50%
2017	580,000	248,101	828,101	4.40%
2018	610,000	222,583	832,583	4.45%
2019	725,000	195,436	920,436	4.50%
2020	760,000	162,813	922,813	4.60%
2021	795,000	127,853	922,853	4.70%
2022	930,000	90,488	1,020,488	4.75%
2023	975,000	46,313	1,021,313	4.75%
Total	$ 7,550,000	$ 2,662,244	$ 10,212,244	

Capital Lease – The Village leases equipment through various leases with lease terms through April 2018. The capitalized cost of $1,796,422 less accumulated depreciation of $741,487 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2011 was $185,840. Remaining principal and interest payments are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2012	$ 295,601	$ 42,599	$ 338,200
2013	297,330	29,365	326,695
2014	123,519	18,783	142,302
2015	129,340	12,960	142,300
2016	67,269	6,861	74,130
2017	30,547	3,453	34,000
2018	32,228	1,772	34,000
	$ 975,834	$ 115,793	$ 1,091,627

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004B – The Village Board authorized the issuance of $20,135,000 General Obligation Refunding Bonds Alternative Revenue Source), Series 2004B, dated April 1, 2004. The bonds were issued to refund a portion of the Village's outstanding General Obligation Alternate Revenue Source Bonds, Series 1993, and to pay the costs of issuance of the 2004B Bonds. Bonds maturing on or after July 1, 2014 are callable at the option of the Village on any date on or after January 1, 2014, at a price of par plus accrued interest. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2022 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2012	$ 1,030,000	$ 746,350	$ 1,776,350	5.00%
2013	1,085,000	698,625	1,783,625	5.00%
2014	1,135,000	643,125	1,778,125	5.00%
2015	1,190,000	585,000	1,775,000	5.00%
2016	1,250,000	524,000	1,774,000	5.00%
2017	1,315,000	459,875	1,774,875	5.00%
2018	1,380,000	392,500	1,772,500	5.00%
2019	1,450,000	321,750	1,771,750	5.00%
2020	1,520,000	247,500	1,767,500	5.00%
2021	1,590,000	169,750	1,759,750	5.00%
2022	1,675,000	88,125	1,763,125	5.00%
2023	925,000	23,125	948,125	5.00%
Total	$ 15,545,000	$ 4,899,725	$ 20,444,725	

Illinois Environmental Protection Agency Loan – L17-0848 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $2,634,735 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.36%. Payments on the loan commenced on January 1, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at July 1, 2014 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2012	$ 171,548	$ 19,614	$ 191,162
2013	177,360	13,802	191,162
2014	183,369	7,792	191,161
2015	94,001	1,579	95,580
	$ 626,278	$ 42,787	$ 669,065

Illinois Environmental Protection Agency Loan – L17-0924 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $4,553,800 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.82%. Payments on this loan commenced on February 24, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at September 15, 2016 are as follows:

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total Debt Service
2012	$ 270,235	$ 42,709	$ 312,944
2013	277,896	35,048	312,944
2014	285,774	27,170	312,944
2015	293,875	19,069	312,944
2016	302,205	10,739	312,944
2017	154,300	2,173	156,473
	$ 1,584,285	$ 136,908	$ 1,721,193

Illinois Environmental Protection Agency Loan – L17-0925 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,523,912 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.15%. Payments on this loan commenced on November 7, 1997 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at May 15, 2017 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2012	$ 204,768	$ 44,166	$ 248,934
2013	211,269	37,665	248,934
2014	217,977	30,958	248,935
2015	224,897	24,037	248,934
2016	232,037	16,897	248,934
2017	239,406	9,531	248,937
2018	122,537	1,930	124,467
	$ 1,452,891	$ 165,184	$ 1,618,075

Illinois Environmental Protection Agency Loan – L17-1161 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,683,905 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.63%. Payments on this loan commenced on June 1, 2001 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at December 1, 2019 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2012	$ 199,562	$ 51,148	$ 250,710
2013	204,835	45,875	250,710
2014	210,247	40,463	250,710
2015	215,801	34,909	250,710
2016	221,504	29,206	250,710
2017	227,356	23,354	250,710
2018	233,364	17,346	250,710
2019	239,529	11,181	250,710
2020	245,858	4,852	250,710
	$ 1,998,056	$ 258,334	$ 2,256,390

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2011, the equalized assessed valuation of the Village is $916,889,459 and the legal debt margin is $79,081,716. The Village is in compliance with this requirement.

Debt Covenants: The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. As of 4/30/11, the Village did not complete its 2010 filing. The Village completed the 2010 filing in July 2011. However, no action has been taken against the Village compelling compliance with the debt covenants as of the date of this audit report.

NOTE 5 – SHORT-TERM DEBT

The Village took out a line of credit on October 4, 2009 for $2,000,000 at an interest rate of 4.00%. The Village drew down $2,000,000 on this line of credit on October 31, 2009. An additional $500,000 was added during 2011 bring the total available amount to be drawn down to $2,500,000. The Line of Credit was extended during the year and is scheduled to be repaid on October 13, 2011. A total of $80,829 of interest was paid during the year ended April 30, 2011. A summary of the short-term debt activity is as follows:

Balance 5/1/2010	Additions	Deductions	Balance 4/30/2011
$ 2,000,000	$ -	$ 1,000,000	$ 1,000,000

NOTE 6 – NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2011 total $16,166,065. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of non-commitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project
$2,400,000 note issued August 5, 2002, bearing interest at 9%. Principal balance as of April 30, 2011 is $1,838,132 plus unpaid accrued interest of $165,432 for a total amount due of $2,003,564. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of $2,400,000 replaced the original note in the amount of $1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project
$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2011 is $8,200,000 plus accrued interest of $5,962,501 for a total amount due of $14,162,501. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

(Continued)

NOTE 7 – INTERFUNDS AND TRANSFERS

The General Corporate Fund loaned $1,253,500 and $111,705 to the Downtown Franklin Avenue TIF Fund and Mannheim/Grand TIF Fund to cover TIF costs during periods of cash shortfalls in the TIF Funds. The Mannheim/Grand TIF Fund loaned $1,121,383 to the Resurrection TIF Fund for the costs of a land acquisition within the boundaries of both TIFs. The Life Fitness/Reebie TIF Fund borrowed $825,000 from the Water Fund to cover TIF costs. Finally, the General Corporate Fund borrowed $778,066 and $420,000 from the Water Fund and Sewer Fund, respectively, to cover operating costs. The transfer is the result of the abolishment of the Working Cash Fund, a reimbursement to the General Corporate Fund for Water, Sewer and Garbage personnel costs and a payment to the Corporate Bond and Interest from the TIF funds for scheduled debt service.

	Due from other funds	Due to other funds
General Corporate		
Nonmajor Governmental	$ 1,365,205	$ -
Water	-	778,066
Sewer	-	420,000
Total General Corporate	1,365,205	1,198,066
Nonmajor Governmental		
General Corporate	-	1,365,205
Nonmajor Governmental	1,121,383	1,121,383
Water	825,000	400,000
Total Nonmajor Governmental	1,946,383	2,886,588
Water		
General Corporate	778,066	-
Nonmajor Governmental	400,000	825,000
Total Water	1,178,066	825,000
Sewer		
General Corporate	420,000	-
Total Sewer	420,000	-
Total	$ 4,909,654	$ 4,909,654

	Transfers in	Transfers out
General Corporate		
Working Cash	$ 4,595,522	$ -
Water	770,594	-
Sewer	107,991	-
Garbage	146,407	-
Total General Corporate	5,620,514	-
Working Cash		
General Corporate	-	4,595,522
Total Working Cash	-	4,595,522
Corporate Bond and Interest		
Nonmajor Governmental	999,808	-
Total Corporate Bond and Interest	999,808	-

(Continued)

NOTE 7 – INTERFUNDS AND TRANSFERS (Continued)

Nonmajor Governmental		
Nonmajor Governmental	$ -	$ 999,808
Total Nonmajor Governmental	-	999,808
Water		
General Corporate	-	770,594
Total Water	-	770,594
Sewer		
General Corporate	-	107,991
Total Sewer	-	107,991
Garbage		
General Corporate	-	146,407
Total Garbage	-	146,407
Total	$ 6,620,322	$ 6,620,322

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund – Regular Plan

Plan Description: The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2010 was 11.50% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2010, the Village's annual pension cost of $348,067 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2010	$ 348,067	100%	$ -
December 31, 2009	169,047	100%	-
December 31, 2008	212,080	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 66.20 percent funded. The actuarial accrued liability for benefits was $7,060,024 and the actuarial value of assets was $4,673,833, resulting in an underfunded actuarial accrued liability (UAAL) of $2,386,191. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was $3,026,668 and the ratio of the UAAL to the covered payroll was 79 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – Sheriff's Law Enforcement Personnel

Plan Description: The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2010 was 14.03% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2010, the Village's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were $6,048. Its required contribution for calendar year 2010 was $6,372. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2010	$ 6,372	95%	$ -
December 31, 2009	6,048	100%	-
December 31, 2008	13,072	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's plan's overfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 100 percent funded. The actuarial accrued liability for benefits was $0 and the actuarial value of assets was $38,765, resulting in an overfunded actuarial accrued liability (UAAL) of $38,765. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was $43,111. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Police Pension Plan

Plan Description: Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

The Police Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2010 (the most recent information available), the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	44
Current Employees Vested and Nonvested	43
	87

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	30.92%, 9.91%
Annual Pension Cost	$1,390,042
Contributions Made	$1,388,533
Actuarial Valuation Date	April 30, 2010
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,372,467
Interest on Net Pension Obligation	59,929
Adjustment to Annual Required Contribution	(42,354)
Annual Pension Cost	1,390,042
Actual Contributions	1,388,533
Increase in Net Pension Obligation	1,509
Net Pension Obligation as of April 30, 2010	1,281,790
Net Pension Obligation as of April 30, 2011	$ 1,283,299

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2011	$ 1,390,042	99.9%	$ 1,283,299
April 30, 2010	1,390,042	69.4%	1,281,790
April 30, 2009	1,381,867	68.7%	856,130

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Firefighter's Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Firefighter's Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighter's Pension Plan may be obtained by writing the Village.

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2010 (the latest information available), the Firefighter's Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	46
Current Employees Vested and Nonvested	40
	86

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firefighter's Pension Plan is fully funded by the year 2033.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	31.495%, 9.91%
Annual Pension Cost	$1,349,011
Contributions Made	$1,033,165
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,597,140
Interest on Net Pension Obligation	54,311
Adjustment to Annual Required Contribution	(38,384)
Annual Pension Cost	1,613,067
Actual Contributions	1,398,379
Increase in Net Pension Obligation	214,688
Net Pension Obligation as of April 30, 2010	1,091,712
Net Pension Obligation as of April 30, 2011	$ 1,306,400

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2011	$ 1,613,067	86.7%	$ 1,306,400
April 30, 2010	1,470,273	68.8%	1,091,712
April 30, 2009	1,349,011	70.4%	775,866

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village's exposure has not exceeded insurance coverage for the past three years. These risks are provided for through insurance from private insurance companies. In addition, the Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village attorney the resolution of these matters will not have a material adverse effect on the financial statements of the Village.

NOTE 10 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF Districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's non-commitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenues were $1,995,968 and $2,510,709, respectively.

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description*:* The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF must be at least 55 years old, have at least 8 years of credited service and no longer work in a position that qualifies for participation in IMRF. For Police Pension Plan and Firefighter's Pension Plan members, employees must at least 50 years old and have at least 20 years of credited service.

Funding Policy*:* Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was $382,196 for 2011.

At April 30, 2011, the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	46
Current Employees Vested and Nonvested	137
	183

Annual OPEB Cost and Net OPEB Obligation*:* The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost method,* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2011, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Annual Required Contribution	$	2,181,584
Interest on OPEB		92,702
Adjustment to Annual Required Contribution		(157,654)
Annual OPEB Cost		2,116,632
Contributions		382,196
Increase (Decrease) in OPEB		1,734,436
OPEB at April 30, 2010		3,090,062
OPEB at April 30, 2011	$	4,824,498

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the three preceding years were as follows:

Year Ending		Annual OPEB Cost (AOC)	Percentage of AOC Contributed		Net OPEB Obligation
4/30/2011	$	2,181,584	17.5%	$	4,824,498
4/30/2010		1,925,151	21.5%		3,090,062
4/30/2009		1,925,151	18.0%		1,577,933

Funded Status and Funding Progress: As of April 30, 2011, the plan was unfunded. The actuarial accrued liability for benefits was $22,505,725. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3% investment rate of return, a 3% inflation rate and an annual healthcare cost trend rate of 4.40% - 28.98% initially, reduced by decrements to an ultimate rate of 5.00% - 8.00%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2011. The UAAL is being amortized as a level dollar percentage of projected payroll on a 30 year open basis.

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, to unallocated insurance contracts improve to the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The Statement provides guidance regarding recognition by the Transferor of the appropriate assets and liabilities and revenue recognition. This Statement also provides guidance for governments that are operators in an SCA. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 with early application encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for a governmental financial reporting entity by amending the requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity by adding additional criteria that must be met. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012, with earlier application encouraged.

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for fiscal years beginning after December 15, 2011 with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments,* and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The conditions specified in this Statement are:

- Collectibility of swap payments is considered to be probable;
- Replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in GASB 64; and
- The counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event.

When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for periods beginning after June 15, 2011, with earlier application encouraged.

Management has not determined the impact these statements will have on the financial position and results of operations of the Village.

VILLAGE OF FRANKLIN PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL CORPORATE FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 11,456,603	$ 12,023,736	$ 567,133
Sales taxes	2,308,618	2,023,821	(284,797)
Income taxes	1,268,314	1,510,967	242,653
Utility taxes	3,209,958	3,117,429	(92,529)
Other taxes	931,531	1,068,662	137,131
Licenses, permits and fees	1,342,300	1,295,823	(46,477)
Grant revenue	1,689,000	1,826,606	137,606
Other revenue	691,438	869,299	177,861
Fines and forfeitures	1,065,750	684,958	(380,792)
Investment income	10,172	2,223	(7,949)
Charges for services	1,201,431	1,088,850	(112,581)
Total revenues	25,175,115	25,512,374	337,259
Expenditures			
Current			
General government	5,564,596	5,480,346	(84,250)
Public safety	11,347,153	11,902,614	555,461
Highway and street	1,801,260	2,251,870	450,610
Public health	233,058	255,172	22,114
Community development	491,262	363,162	(128,100)
Building department	661,163	785,341	124,178
Debt service			
Interest and other charges	80,000	80,929	929
Capital outlay	1,857,772	2,417,278	559,506
Total expenditures	22,036,264	23,536,712	1,500,448
Excess (deficiency) of revenues over (under) expenditures	3,138,851	1,975,662	(1,163,189)
Other financing sources (uses)			
Transfers in	-	5,620,514	5,620,514
Transfers out	(3,510,381)	-	3,510,381
Proceeds from capital lease	-	175,000	175,000
Proceeds from the sale of fixed assets	8,000	-	(8,000)
Total other financing sources (uses)	(3,502,381)	5,795,514	9,297,895
Net changes in fund balances	$ (363,530)	7,771,176	$ 8,134,706
Fund balances at beginning of year		(4,760,469)	
Fund balances at end of year		$ 3,010,707	

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the following funds:
    - Working Cash Fund
    - Foreign Fire Insurance Premium Fund
    - Police Department 1505 Fund
    - IMRF Fund
    - Unclaimed Rebates Fund
    - Emergency Services and Disaster Agency Fund
    - GARRA Alternate Refunding Bonds Series 2004A Fund
    - Waveland Mannheim TIF Fund
    - Seymour Avenue Capital Projects Fund
    - Special Service Area #4 Fund
    - Police Station Fund
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2011:

Fund	Amount
General Corporate Fund	$ 1,530,566
911 Emergency Surcharge Tax Fund	364,887
Belmont/River TIF Fund	16,589
Resurrection TIF Fund	205,625

VILLAGE OF FRANKLIN PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
April 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR						
12/31/2010	$ 4,673,833	$ 7,060,024	$ 2,386,191	66.2%	$ 3,026,668	78.8%
12/31/2009	7,679,559	9,345,809	1,666,250	82.2%	3,219,952	51.7%
12/31/2008	7,583,533	9,303,361	1,719,828	81.5%	3,267,804	52.6%
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL						
12/31/2010	$ 38,765	$ -	$ (38,765)	100.0%	$ 43,111	-89.9%
12/31/2009	61,109	24,797	(36,312)	246.4%	43,111	-84.2%
12/31/2008	52,363	29,353	(23,010)	178.4%	94,454	-24.4%
POLICE PENSION FUND						
4/30/2010	$ 19,004,820	$ 40,191,355	$ 21,186,535	47.3%	$ 3,119,156	679.2%
4/30/2008	19,370,974	37,894,385	18,523,411	51.1%	3,280,940	564.6%
4/30/2007	19,330,483	36,849,658	17,519,175	52.5%	3,350,352	522.9%

Note: Information as of 4/30/11 and 4/30/09 for the Police Pension Fund not available.

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
FIREFIGHTER'S PENSION FUND						
4/30/2010	$ 19,173,156	$ 39,371,275	$ 20,198,119	48.7%	$ 2,964,084	681.4%
4/30/2009	17,458,475	38,257,435	20,798,960	45.6%	3,015,057	689.8%
4/30/2008	20,222,441	37,079,485	16,857,044	54.5%	2,998,553	562.2%

Note: Information as of 4/30/11 for the Firefighter's Pension Fund not available.

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
OTHER POST EMPLOYMENT BENEFITS						
4/30/2011	$ -	$ 22,505,725	$ 22,505,725	0.0%	$ 9,153,019	245.9%
4/30/2009	-	18,816,415	18,816,415	0.0%	$ 9,559,060	196.8%

Note: Information as of 4/30/10 for the Other Post Employment Benefits not available.

VILLAGE OF FRANKLIN PARK ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
April 30, 2011

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR				
12/31/2010	$ 348,067	$ 348,067	100%	$ -
12/31/2009	169,047	169,047	100%	-
12/31/2008	212,080	212,080	100%	-
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL				
12/31/2010	$ 6,053	$ 6,372	95%	$ -
12/31/2009	6,048	6,048	100%	-
12/31/2008	13,072	13,072	100%	-
POLICE PENSION FUND				
4/30/2011	$ 1,388,533	$ 1,390,042	99.89%	$ 1,283,299
4/30/2010	964,382	1,390,042	69.38%	1,281,790
4/30/2009	949,369	1,381,867	68.70%	856,130
FIREFIGHTER'S PENSION FUND				
4/30/2011	$ 1,398,379	$ 1,613,067	86.69%	$ 1,306,400
4/30/2010	1,033,165	1,470,273	70.27%	1,091,712
4/30/2009	949,607	1,349,011	70.39%	775,866
OTHER POST EMPLOYMENT BENEFITS				
4/30/2011	$ 382,196	$ 2,181,584	17.52%	$ 4,824,498
4/30/2010	413,082	1,925,151	21.46%	3,090,062
4/30/2009	347,158	1,925,151	18.03%	1,577,993

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CORPORATE BOND AND INTEREST FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 2,403,136	$ 4,215,718	$ 1,812,582
Investment income	-	149	149
Total revenues	2,403,136	4,215,867	1,812,731
Expenditures			
Current			
General government	5,000	6,846	1,846
Principal	1,200,913	520,000	(680,913)
Interest and other charges	3,200,405	1,254,693	(1,945,712)
Total expenditures	4,406,318	1,781,539	(2,624,779)
Excess (deficiency) of revenues over (under) expenditures	(2,003,182)	2,434,328	4,437,510
Other financing sources (uses)			
Transfers in	(2,003,181)	999,808	3,002,989
Total other financing sources (uses)	(2,003,181)	999,808	3,002,989
Net changes in fund balances	$ (4,006,363)	3,434,136	$ 7,440,499
Fund balances at beginning of year		96,216	
Fund balances at end of year		$ 3,530,352	

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets				
Cash	$ 6,191,389	$ 1,993,013	$ 793,820	$ 8,978,222
Investments	1,374,103	836,355	-	2,210,458
Accrued interest	330	-	-	330
Accounts receivable	40,110	-	-	40,110
Interfund receivable	1,121,383	825,000	-	1,946,383
Total assets	$ 8,727,315	$ 3,654,368	$ 793,820	$ 13,175,503
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 578,247	$ 905,426	$ 82,530	$ 1,566,203
Accounts payable	119,949	1,167,607	1,150,532	2,438,088
Accrued payroll	101	-	-	101
Interfund payables	1,765,205	1,121,383	-	2,886,588
Total liabilities	2,463,502	3,194,416	1,233,062	6,890,980
Fund balances				
Reserved for interfunds	1,121,383	825,000	-	1,946,383
Reserved for public safety	669,767	-	-	669,767
Reserved for highway and streets	3,921,028	-	-	3,921,028
Reserved for community development	2,613,883	-	-	2,613,883
Reserved for debt service	-	825,908	-	825,908
Reserved for capital projects	-	-	313,589	313,589
Unreserved - special revenue funds	(2,062,248)	-	-	(2,062,248)
Unreserved - debt service funds	-	(1,190,956)	-	(1,190,956)
Unreserved - capital projects funds	-	-	(752,831)	(752,831)
Total fund balances	6,263,813	459,952	(439,242)	6,284,523
Total liabilities and fund balances	$ 8,727,315	$ 3,654,368	$ 793,820	$ 13,175,503

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Property taxes	$ 1,129,134	$ 1,382,686	$ -	$ 2,511,820
Other taxes	640,958	-	-	640,958
Other revenue	23,898	180	-	24,078
Fines and forfeitures	49,645	-	-	49,645
Investment income	4,449	110	-	4,559
Charges for services	271,052	-	-	271,052
Total revenues	2,119,136	1,382,976	-	3,502,112
Expenditures				
Current				
General government	164,146	440,275	30,230	634,651
Public safety	432,285	-	-	432,285
Highway and street	249,564	-	-	249,564
Community development	174,831	262,953	-	437,784
Debt service				
Interest and other charges	-	-	33,115	33,115
Capital outlay	14,219	-	31,218	45,437
Total expenditures	1,035,045	703,228	94,563	1,832,836
Excess (deficiency) of revenues over (under) expenditures	1,084,091	679,748	(94,563)	1,669,276
Other financing sources				
Transfers out	(999,808)	-	-	(999,808)
Total other financing sources	(999,808)	-	-	(999,808)
Net changes in fund balances	84,283	679,748	(94,563)	669,468
Fund balances at beginning of year	6,179,530	(219,796)	(344,679)	5,615,055
Fund balances at end of year	$ 6,263,813	$ 459,952	$ (439,242)	$ 6,284,523

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COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2011

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	IMRF Fund	MFT Fund
Assets					
Cash	$ 62,121	$ 445,032	$ 154,626	$ -	$ 1,686,679
Investments	-	-	-	-	-
Accrued interest	330	-	-	-	-
Accounts receivable	-	-	-	-	40,110
Interfund receivables	-	-	-	-	-
Total assets	$ 62,451	$ 445,032	$ 154,626	$ -	$ 1,726,789
Liabilities and fund balances					
Liabilities					
Cash overdraft liability	$ -	$ -	$ -	$ 48,881	$ -
Accounts payable	-	-	-	-	-
Accrued payroll	-	-	101	-	-
Interfund payables	-	-	-	-	-
Total liabilities	-	-	101	48,881	-
Fund balances					
Reserved for interfunds	-	-	-	-	-
Reserved for public safety	62,451	445,032	154,525	-	-
Reserved for highway and streets	-	-	-	-	1,726,789
Reserved for community development	-	-	-	-	-
Unreserved	-	-	-	(48,881)	-
Total fund balances	62,451	445,032	154,525	(48,881)	1,726,789
Total liabilities and fund balances	$ 62,451	$ 445,032	$ 154,626	$ -	$ 1,726,789

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ 144,634	$ 7,759	$ 2,285,438	$ -	$ 255,304	$ 1,149,796	$ -	$ 6,191,389
-	-	-	912,693	-	461,410	-	1,374,103
-	-	-	-	-	-	-	330
-	-	-	-	-	-	-	40,110
-	-	-	-	-	1,121,383	-	1,121,383
$ 144,634	$ 7,759	$ 2,285,438	$ 912,693	$ 255,304	$ 2,732,589	$ -	$ 8,727,315
$ -	$ -	$ -	$ 32,863	$ -	$ -	$ 496,503	$ 578,247
-	-	91,199	3,843	12,844	4,065	7,998	119,949
-	-	-	-	-	-	-	101
-	-	-	-	-	111,705	1,653,500	1,765,205
-	-	91,199	36,706	12,844	115,770	2,158,001	2,463,502
-	-	-	-	-	1,121,383	-	1,121,383
-	7,759	-	-	-	-	-	669,767
-	-	2,194,239	-	-	-	-	3,921,028
-	-	-	875,987	242,460	1,495,436	-	2,613,883
144,634	-	-	-	-	-	(2,158,001)	(2,062,248)
144,634	7,759	2,194,239	875,987	242,460	2,616,819	(2,158,001)	6,263,813
$ 144,634	$ 7,759	$ 2,285,438	$ 912,693	$ 255,304	$ 2,732,589	$ -	$ 8,727,315

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2011

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	IMRF Fund	MFT Fund
Revenues					
Property taxes	$ -	$ -	$ -	$ 1,111	$ -
Other taxes	49,389	-	-	-	591,569
Other revenue	1,717	-	-	-	22,181
Fines and forfeitures	-	49,645	-	-	-
Investment income	454	18	1,255	-	88
Charges for services	-	-	271,052	-	-
Total revenues	51,560	49,663	272,307	1,111	613,838
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	36,642	28,856	366,787	-	-
Highway and street	-	-	-	-	249,564
Community development	-	-	-	-	-
Capital outlay	12,943	1,276	-	-	-
Total expenditures	49,585	30,132	366,787	-	249,564
Excess (deficiency) of revenues over (under) expenditures	1,975	19,531	(94,480)	1,111	364,274
Other financing sources (uses)					
Transfers out	-	-	-	-	-
Proceeds from the sale of fixed assets	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net changes in fund balances	1,975	19,531	(94,480)	1,111	364,274
Fund balances at beginning of year	60,476	425,501	249,005	(49,992)	1,362,515
Fund balances at end of year	$ 62,451	$ 445,032	$ 154,525	$ (48,881)	$ 1,726,789

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ -	$ -	$ -	$ 742,568	$ -	$ -	$ 385,455	$ 1,129,134
-	-	-	-	-	-	-	640,958
-	-	-	-	-	-	-	23,898
-	-	-	-	-	-	-	49,645
-	-	-	2,543	-	43	48	4,449
-	-	-	-	-	-	-	271,052
-	-	-	745,111	-	43	385,503	2,119,136
-	40	-	18,586	12,343	-	133,177	164,146
-	-	-	-	-	-	-	432,285
-	-	-	-	-	-	-	249,564
-	-	-	119,645	4,497	37,185	13,504	174,831
-	-	-	-	-	-	-	14,219
-	40	-	138,231	16,840	37,185	146,681	1,035,045
-	(40)	-	606,880	(16,840)	(37,142)	238,822	1,084,091
-	-	-	(667,060)	-	-	(332,748)	(999,808)
-	-	-	-	-	-	-	-
-	-	-	(667,060)	-	-	(332,748)	(999,808)
-	(40)	-	(60,180)	(16,840)	(37,142)	(93,926)	84,283
144,634	7,799	2,194,239	936,167	259,300	2,653,961	(2,064,075)	6,179,530
$ 144,634	$ 7,759	$ 2,194,239	$ 875,987	$ 242,460	$ 2,616,819	$ (2,158,001)	$ 6,263,813

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
911 EMERGENCY SURCHARGE TAX FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 1,255	$ 1,255
Charges for services	-	271,052	271,052
Total revenues	-	272,307	272,307
Expenditures			
Current			
Public safety	1,900	366,787	364,887
Total expenditures	1,900	366,787	364,887
Net changes in fund balances	$ (1,900)	(94,480)	$ (92,580)
Fund balances at beginning of year		249,005	
Fund balances at end of year		$ 154,525	

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MFT FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other taxes	$ 500,000	$ 591,569	$ 91,569
Other revenue	-	22,181	22,181
Investment income	-	88	88
Total revenues	500,000	613,838	113,838
Expenditures			
Current			
Highway and street	400,000	249,564	(150,436)
Total expenditures	400,000	249,564	(150,436)
Net changes in fund balances	$ 100,000	364,274	$ 264,274
Fund balances at beginning of year		1,362,515	
Fund balances at end of year		$ 1,726,789	

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
WEST MANNHEIM REDEVELOPING AREA TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 900,000	$ 742,568	$ (157,432)
Investment income	-	2,543	2,543
Total revenues	900,000	745,111	(154,889)
Expenditures			
Current			
General government	30,000	18,586	(11,414)
Community development	927,000	119,645	(807,355)
Total expenditures	957,000	138,231	(818,769)
Excess (deficiency) of revenues over (under) expenditures	(57,000)	606,880	663,880
Other financing sources (uses)			
Transfers out	-	(667,060)	(667,060)
Total other financing sources (uses)	-	(667,060)	(667,060)
Net changes in fund balances	$ (57,000)	(60,180)	$ (3,180)
Fund balances at beginning of year		936,167	
Fund balances at end of year		$ 875,987	

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
BELMONT/RIVER TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 91,237	$ -	$ (91,237)
Investment income	3	-	(3)
Total revenues	91,240	-	(91,240)
Expenditures			
Current			
General government	-	12,343	12,343
Community development	251	4,497	4,246
Total expenditures	251	16,840	16,589
Net changes in fund balances	$ 90,989	(16,840)	$ (107,829)
Fund balances at beginning of year		259,300	
Fund balances at end of year		$ 242,460	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MANNHEIM/GRAND TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 43	$ 43
Total revenues	-	43	43
Expenditures			
Current			
General government	90,000	-	(90,000)
Community development	85,000	37,185	(47,815)
Total expenditures	175,000	37,185	(137,815)
Net changes in fund balances	$ (175,000)	(37,142)	$ 137,858
Fund balances at beginning of year		2,653,961	
Fund balances at end of year		$ 2,616,819	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DOWNTOWN FRANKLIN AVENUE TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 380,000	$ 385,455	$ 5,455
Investment income	-	48	48
Total revenues	380,000	385,503	5,503
Expenditures			
Current			
General government	22,000	133,177	111,177
Community development	410,000	13,504	(396,496)
Total expenditures	432,000	146,681	(285,319)
Excess (deficiency) of revenues over (under) expenditures	(52,000)	238,822	290,822
Other financing sources (uses)			
Transfers out	-	(332,748)	(332,748)
Total other financing sources (uses)	-	(332,748)	(332,748)
Net changes in fund balances	$ (52,000)	(93,926)	$ (41,926)
Fund balances at beginning of year		(2,064,075)	
Fund balances at end of year		$ (2,158,001)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2011

	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Assets					
Cash	$ 714,140	$ 938,384	$ 340,489	$ -	$ 1,993,013
Investments	-	-	-	836,355	836,355
Interfund receivable	825,000	-	-	-	825,000
Total assets	$ 1,539,140	$ 938,384	$ 340,489	$ 836,355	$ 3,654,368
Liabilities and fund balances					
Liabilities					
Cash overdraft liability	$ -	$ -	$ -	$ 905,426	$ 905,426
Accounts payable	502	938,384	228,219	502	1,167,607
Interfund payables	-	-	-	1,121,383	1,121,383
Total liabilities	502	938,384	228,219	2,027,311	3,194,416
Fund balances					
Reserved for interfunds	825,000	-	-	-	825,000
Reserved for debt service	713,638	-	112,270	-	825,908
Unreserved	-	-	-	(1,190,956)	(1,190,956)
Total fund balances	1,538,638	-	112,270	(1,190,956)	459,952
Total liabilities and fund balances	$ 1,539,140	$ 938,384	$ 340,489	$ 836,355	$ 3,654,368

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended April 30, 2011

	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Revenues					
Property taxes	$ 685,860	$ -	$ -	$ 696,826	$ 1,382,686
Investment income	58	-	-	52	110
Miscellaneous revenue	-	-	-	180	180
Total revenues	685,918	-	-	697,058	1,382,976
Expenditures					
Current					
General government	-	-	227,717	212,558	440,275
Community development	250,865	-	10,021	2,067	262,953
Total expenditures	250,865	-	237,738	214,625	703,228
Net changes in fund balances	435,053	-	(237,738)	482,433	679,748
Fund balances at beginning of year	1,103,585	-	350,008	(1,673,389)	(219,796)
Fund balances at end of year	$ 1,538,638	$ -	$ 112,270	$ (1,190,956)	$ 459,952

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LIFE/FITNESS REEBIE STORAGE TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 710,000	$ 685,860	$ (24,140)
Investment income	-	58	58
Total revenues	710,000	685,918	(24,082)
Expenditures			
Current			
General government	5,250	-	(5,250)
Community development	800,500	250,865	(549,635)
Total expenditures	805,750	250,865	(554,885)
Excess (deficiency) of revenues over (under) expenditures	(95,750)	435,053	530,803
Net changes in fund balances	$ (95,750)	435,053	$ 530,803
Fund balances at beginning of year		1,103,585	
Fund balances at end of year		$ 1,538,638	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
O'HARE EAST INDUSTRIAL TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 450,000	$ -	$ (450,000)
Total revenues	450,000	-	(450,000)
Expenditures			
Current			
General government	5,250	227,717	222,467
Community development	440,000	10,021	(429,979)
Total expenditures	445,250	237,738	(207,512)
Net changes in fund balances	$ 4,750	(237,738)	$ (242,488)
Fund balances at beginning of year		350,008	
Fund balances at end of year		$ 112,270	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
RESURRECTION TIF FUND
Year Ended April 30, 2011

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ -	$ 696,826	$ 696,826
Investment income	-	52	52
Miscellaneous revenue	-	180	180
Total revenues	-	697,058	697,058
Expenditures			
Current			
General government	7,000	212,558	205,558
Community development	2,000	2,067	67
Total expenditures	9,000	214,625	205,625
Net changes in fund balances	$ (9,000)	482,433	$ 491,433
Fund balances at beginning of year		(1,673,389)	
Fund balances at end of year		$ (1,190,956)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL FUNDS
April 30, 2011

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Police Station Fund	Total
Assets				
Cash	$ 480,231	$ 313,589	$ -	$ 793,820
Total assets	$ 480,231	$ 313,589	$ -	$ 793,820
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ -	$ -	$ 82,530	$ 82,530
Accounts payable	1,138,499	-	12,033	1,150,532
Total liabilities	1,138,499	-	94,563	1,233,062
Fund balances				
Reserved for capital projects		313,589	-	313,589
Unreserved	(658,268)	-	(94,563)	(752,831)
Total fund balances	(658,268)	313,589	(94,563)	(439,242)
Total liabilities and fund balances	$ 480,231	$ 313,589	$ -	$ 793,820

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPTIAL PROJECT FUNDS
Year Ended April 30, 2011

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Police Station Fund	Total
Revenues	$ -	$ -	$ -	$ -
Expenditures				
Current				
General government	-	-	30,230	30,230
Debt service				
Interest and other charges	-	-	33,115	33,115
Capital outlay	-	-	31,218	31,218
Total expenditures	-	-	94,563	94,563
Net changes in fund balances	-	-	(94,563)	(94,563)
Fund balances at beginning of year	(658,268)	313,589	-	(344,679)
Fund balances at end of year	$ (658,268)	$ 313,589	$ (94,563)	$ (439,242)

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2011

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighter's Pension Fund	Total	Village Escrow Fund	Special Assessment Fund	Total
Assets						
Cash	$ 7,512	$ 25,346	$ 32,858	$ 19,961	$ 331,489	$ 351,450
Investments:						
Certificates of deposit	8,062,567	-	8,062,567	-	-	-
State and local obligations	-	924,610	924,610	-	-	-
US government and agency obligations	2,410,510	9,125,669	11,536,179	-	-	-
US government backed securities	-	-	-	-	-	-
Insurance contracts	7,566,503	5,451,778	13,018,281	-	-	-
Equity securities	-	1,823,775	1,823,775	-	-	-
Equity mutual funds	882,797	2,161,089	3,043,886	-	-	-
Money market mutual funds	1,260,220	1,212,469	2,472,689	-	-	-
Accrued interest receivable	42,857	70,268	113,125	-	-	-
Other receivable	-	-	-	-	419	419
Due from village	40,295	43,875	84,170	-	-	-
Prepaids	1,449	1,305	2,754	-	-	-
Total assets	20,274,710	20,840,184	41,114,894	$ 19,961	$ 331,908	$ 351,869
Liabilities						
Accounts payable	8,179	25,307	33,486	$ -	$ -	$ -
Deposits payable	-	86,166	86,166	19,961	331,908	351,869
Total liabilities	8,179	111,473	119,652	$ 19,961	$ 331,908	$ 351,869
Net assets						
Held in trust for pension benefits and other purposes	20,266,531	20,728,711	40,995,242			
Total net assets	$ 20,266,531	$ 20,728,711	$ 40,995,242			

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2011

	Police Pension Fund	Firefighter's Pension Fund	Total
Additions			
Contributions			
Employer	$ 1,363,487	$ 1,393,248	$ 2,756,735
Plan members	340,609	281,870	622,479
Total contributions	1,704,096	1,675,118	3,379,214
Net investment earnings	1,602,800	1,936,831	3,539,631
Total additions	3,306,896	3,611,949	6,918,845
Deductions			
Benefits	2,049,089	2,003,916	4,053,005
Administrative expenses	53,437	38,273	91,710
Total deductions	2,102,526	2,042,189	4,144,715
Change in net assets	1,204,370	1,569,760	2,774,130
Net assets - beginning of year	19,062,161	19,158,951	38,221,112
Net assets - end of year	$ 20,266,531	$ 20,728,711	$ 40,995,242

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended April 30, 2011

	Balance May 1, 2010	Additions	Deletions	Balance April 30, 2011
Village Escrow Fund				
Assets				
Cash	$ 19,961	$ -	$ -	$ 19,961
Total assets	$ 19,961	$ -	$ -	$ 19,961
Liabilities				
Deposits payable	$ 19,961	$ -	$ -	$ 19,961
Total liabilities	$ 19,961	$ -	$ -	$ 19,961
Special Assessment Fund				
Assets				
Cash	$ 331,489	$ -	$ -	$ 331,489
Other receivable	419	-	-	419
Total assets	$ 331,908	$ -	$ -	$ 331,908
Liabilities				
Deposits payable	$ 331,908	$ -	$ -	$ 331,908
Total liabilities	$ 331,908	$ -	$ -	$ 331,908

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have examined the Village of Franklin Park, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2011. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

Our examination disclosed the following noncompliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2011. The Village incorrectly allocated administration fees to the TIF Funds.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2011.

Crowe Horwath LLP
Crowe Horwath LLP

Oak Brook, Illinois
October 27, 2011

STATISTICAL SECTION

The Village of Franklin Park, Illinois presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Village's overall financial health.

		Tables
Financial Trends	These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	1-4
Revenue Capacity	These schedules present information to help the reader assess the Village's significant revenue sources.	3-10
Debt Capacity	These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	11-14
Demographics and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place.	15-16
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	17-19

VILLAGE OF FRANKLIN PARK, ILLINOIS
STATEMENT OF NET ASSETS BY COMPONENT
Last Eight Fiscal Years*

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	$ 16,483,743	$ 14,701,902	$ 17,261,013	$ 19,206,616	$ 61,325,754	$ 19,588,142	$ 15,082,839	$ 12,991,451
Restricted	14,274,330	14,283,236	13,882,114	12,375,428	11,321,795	7,684,461	7,834,608	10,891,171
Unrestricted	(10,066,328)	(13,683,883)	(16,381,808)	(21,022,797)	(27,106,796)	(6,101,927)	(8,443,822)	(4,667,352)
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	$ 20,691,745	$ 15,301,255	$ 14,761,319	$ 10,559,247	$ 45,540,753	$ 21,170,676	$ 14,473,625	$ 19,215,270
Business-type activities								
Invested in capital assets, net of related debt	$ 4,947,892	$ 7,224,022	$ 8,019,305	$ 9,551,252	$ 11,046,893	$ 12,389,459	$ 15,183,634	$ 16,153,802
Unrestricted	4,434,414	3,239,941	5,394,736	3,952,294	5,801,193	1,120,905	(3,081,806)	(7,066,157)
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	$ 9,382,306	$ 10,463,963	$ 13,414,041	$ 13,503,546	$ 16,848,086	$ 13,510,364	$ 12,101,828	$ 9,087,645
Primary government								
Invested in capital assets, net of related debt	$ 21,431,635	$ 21,925,924	$ 25,280,318	$ 28,757,868	$ 72,372,647	$ 31,977,601	$ 30,266,473	$ 29,145,253
Restricted	14,274,330	14,283,236	13,882,114	12,375,428	11,321,795	7,684,461	7,834,608	10,891,171
Unrestricted	(5,631,914)	(10,443,942)	(10,987,072)	(17,070,503)	(21,305,603)	(4,981,022)	(11,525,628)	(11,733,509)
TOTAL PRIMARY GOVERNMENT	$ 30,074,051	$ 25,765,218	$ 28,175,360	$ 24,062,793	$ 62,388,839	$ 34,681,040	$ 26,575,453	$ 28,302,915

*The Entity-Wide reporting provisions of GASB 34 were not adopted until fiscal 2004

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES								
Program revenues								
Charges for services								
General government	$ 502,751	$ 418,575	$ -	$ -	$ -	$ 1,218,505	$ 897,771	$ 1,405,288
Public safety	59,393	140,687	510,064	587,716	471,531	1,514,648	2,276,909	1,642,993
Public health	-	-	-	-	-	810	514,558	-
Community development	-	-	-	-	-	25,550	22,828	12,530
Building department	-	-	-	-	-	1,284,125	686,919	616,082
Operating grants	-	-	-	-	-	172,272	216,352	457,595
Capital grants	1,662,330	5,439,305	1,001,949	188,208	454,417	3,418,615	209,896	1,082,446
General revenues								
Property taxes	10,622,280	10,727,149	11,544,823	12,672,760	12,071,971	12,809,050	14,859,858	18,752,446
Gain on sale of fixed assets	-	-	-	-	-	109	-	-
Replacement	463,149	527,878	681,136	881,243	863,428	756,927	628,491	775,309
Sales	1,965,246	1,859,000	2,068,191	2,920,751	3,097,488	2,645,880	2,403,228	2,023,821
Utility	3,678,809	3,684,771	3,849,358	3,514,449	3,585,827	2,317,939	2,073,897	3,117,429
Income	1,176,139	1,418,566	1,339,730	1,619,459	2,024,807	1,679,644	1,474,908	1,510,967
Hotel/Motel	104,435	117,139	110,946	147,476	102,819	127,202	38,784	7,807
Motor Fuel	556,038	563,707	561,913	562,239	588,765	507,159	491,004	591,569
Investment	163,746	691,302	303,948	468,003	237,097	85,658	8,996	6,931
Miscellaneous	1,366,295	3,924,432	3,679,621	4,313,766	4,179,633	1,145,311	607,818	1,023,630
Other	4,429,519	337,640	732,013	362,507	514,649	1,879,467	1,299,815	279,561
Transfers	-	-	(1,625,850)	(1,624,550)	(1,623,850)	-	-	1,024,992
Total revenues	26,750,130	29,850,151	24,757,842	26,614,027	26,568,582	31,588,871	28,712,032	34,331,396
Expenses								
General government	6,173,346	11,054,573	8,958,315	9,387,994	10,763,153	6,509,784	6,860,507	6,438,478
Public safety	11,245,991	11,565,461	10,977,811	12,312,699	11,930,231	14,826,648	14,836,168	14,706,048
Highway and street	7,808,221	8,831,506	3,697,522	5,043,274	8,305,525	17,334,095	7,812,070	6,486,425
Public health	-					1,733,755	1,827,272	281,856
Community development	-					1,777,725	2,272,932	841,746
Building department	-					992,053	998,682	1,020,662
Interest on long-term debt	1,058,012	1,140,499	2,091,943	4,072,132	2,877,136	707,371	1,518,439	1,378,233
Transfers	-	1,414,116						
Total expenses	(26,285,570)	(34,006,155)	(25,725,591)	(30,816,099)	(33,876,045)	(43,881,431)	(36,126,070)	(31,153,448)
INCREASE (DECREASE) IN NET ASSETS	$ 464,560	$ (4,156,004)	$ (967,749)	$ (4,202,072)	$ (7,307,463)	$ (12,292,560)	$ (7,414,038)	$ 3,177,948

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011
BUSINESS-TYPE ACTIVITIES								
Program Revenues								
Charges for Services	$ 5,739,978	$ 6,050,875	$ 6,948,842	$ 5,830,298	$ 7,153,652	$ -	$ -	$ -
Water	-	-	-	-	-	4,448,697	4,028,559	4,425,761
Sewer	-	-	-	-	-	2,525,090	2,141,395	2,358,732
Commuter parking lot	-	-	-	-	-	31,386	53,717	63,255
Garbage	-	-	-	-	-	-	-	1,454,099
Capital grants	-	-	-	-	565,305	500,000	30,204	-
General Revenue								
Unrestricted investment earnings	-	-	-	-	-	29,339	8,255	2,498
Gain on sale of fixed assets	-	-	-	-	-	3,922	-	-
Investment	87,319	82,243	77,035	8,331	241,440	-	-	-
Transfers	-	1,414,116	1,625,850	1,624,550	1,623,850	-	-	(1,024,992)
Other	-	-	-	-	-	6,322	8,289	13,123
Total revenues	5,827,297	7,547,234	8,651,727	7,463,179	9,584,247	7,544,756	6,270,419	7,292,476
Expenses								
Water	-	-	-	-	-	5,516,858	5,294,989	4,738,227
Sewer	-	-	-	-	-	3,218,477	2,374,980	2,296,739
Commuter parking lot	-	-	-	-	-	8,778	8,986	13,805
Garbage	-	-	-	-	-	-	-	1,694,191
Enterprise	11,172,420	6,465,577	6,946,966	7,373,674	6,657,868	-	-	-
Total expenses	(11,172,420)	(6,465,577)	(6,946,966)	(7,373,674)	(6,657,868)	(8,744,113)	(7,678,955)	(8,742,962)
INCREASE (DECREASE) IN NET ASSETS	$ (5,345,123)	$ 1,081,657	$ 1,704,761	$ 89,505	$ 2,926,379	$ (1,199,357)	$ (1,408,536)	$ (1,450,486)

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL NET ASSETS								
Program revenues								
Charges for services								
General government	$ 502,751	$ 418,575	$ -	$ -	$ -	$ 1,218,505	$ 897,771	$ 1,405,288
Public safety	59,393	140,687	510,064	587,716	471,531	1,514,648	2,276,909	1,642,993
Public health	-	-	-	-	-	810	514,558	-
Community development	-	-	-	-	-	25,550	22,828	12,530
Building department	-	-	-	-	-	1,284,125	686,919	616,082
Water	-	-	-	-	-	4,448,697	4,028,559	4,425,761
Sewer	-	-	-	-	-	2,525,090	2,141,395	2,358,732
Commuter parking lot	-	-	-	-	-	31,386	53,717	63,255
Garbage	-	-	-	-	-	-	-	1,454,099
Enterprise	5,739,978	6,050,875	6,948,842	5,830,298	7,153,652	-	-	-
Operating grants	-	-	-	-	-	172,272	216,352	457,595
Capital grants	1,662,330	5,439,305	1,001,949	188,208	1,019,722	3,918,615	240,100	1,082,446
General Revenues								
Property taxes	10,622,280	10,727,149	11,544,823	12,672,760	12,071,971	12,809,050	14,859,858	18,752,446
Replacement	463,149	527,878	681,136	881,243	863,428	756,927	628,491	775,309
Sales	1,965,246	1,859,000	2,068,191	2,920,751	3,097,488	2,645,880	2,403,228	2,023,821
Utility	3,678,809	3,684,771	3,849,358	3,514,449	3,585,827	2,317,939	2,073,897	3,117,429
Income	1,176,139	1,418,566	1,339,730	1,619,459	2,024,807	1,679,644	1,474,908	1,510,967
Hotel/Motel	104,435	117,139	110,946	147,476	102,819	127,202	38,784	7,807
Motor Fuel	556,038	563,707	561,913	562,239	588,765	507,159	491,004	591,569
Investment	251,065	773,545	380,983	476,334	478,537	85,658	8,996	6,931
Unrestricted investment earnings	-	-	-	-	-	29,339	8,255	2,498
Gain on sale of fixed assets	-	-	-	-	-	4,031	-	-
Other	4,429,519	337,640	732,013	362,507	514,649	1,885,789	1,308,104	292,684
Miscellaneous	1,366,295	3,924,432	3,679,621	4,313,766	4,179,633	1,145,311	607,818	1,023,630
Transfers	-	1,414,116	-	-	-	-	-	-
Total revenues	32,577,427	37,397,385	33,409,569	34,077,206	36,152,829	39,133,627	34,982,451	41,623,872
General Expenses								
General government	6,173,346	11,054,573	8,958,315	9,387,994	10,763,153	6,509,784	6,860,507	6,438,478
Public safety	11,245,991	11,565,461	10,977,811	12,312,699	11,930,231	14,826,648	14,836,168	14,706,048
Highway and street	7,808,221	8,831,506	3,697,522	5,043,274	8,305,525	17,334,095	7,812,070	6,486,425
Public Health	-	-	-	-	-	1,733,755	1,827,272	281,856
Community development	-	-	-	-	-	1,777,725	2,272,932	841,746
Building department	-	-	-	-	-	992,053	998,682	1,020,662
Interest-on long term debt	1,058,012	1,140,499	2,091,943	4,072,132	2,877,136	707,371	1,518,439	1,378,233
Water	-	-	-	-	-	5,516,858	5,294,989	4,738,227
Sewer	-	-	-	-	-	3,218,477	2,374,980	2,296,739
Commuter parking lot	-	-	-	-	-	8,778	8,986	13,805
Garbage	-	-	-	-	-	-	-	1,694,191
Enterprise	11,172,420	6,465,577	6,946,966	7,373,674	6,657,868	-	-	-
Transfers	-	1,414,116	-	-	-	-	-	-
Total expenses	37,457,990	40,471,732	32,672,557	38,189,773	40,533,913	52,625,544	43,805,025	39,896,410

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011
INCREASE(DECREASE) IN NET ASSETS	$ (4,880,563)	$ (3,074,347)	$ 737,012	$ (4,112,567)	$ (4,381,084)	$ (13,491,917)	$ (8,822,574)	$ 1,727,462
NET (EXPENSE) REVENUE								
Governmental Activities	$ 464,560	$ (4,156,004)	$ (967,749)	$ (4,202,072)	$ (7,307,463)	$ (12,292,560)	$ (7,414,038)	$ 3,177,948
Business Type Activities	(5,345,123)	1,081,657	1,704,761	89,505	2,926,379	(1,199,357)	(1,408,536)	(1,450,486)
TOTAL NET (EXPENSE) REVENUE	$ (4,880,563)	$ (3,074,347)	$ 737,012	$ (4,112,567)	$ (4,381,084)	$ (13,491,917)	$ (8,822,574)	$ 1,727,462

*The Entity-Wide reporting provisions of GASB 34 were not adopted until fiscal 2004. Source: Village records.

VILLAGE OF FRANKLIN PARK, ILLINOIS
GOVERNMENTAL FUND BALANCES
Last Ten Fiscal Years

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL FUND										
Reserved	$ 3,265,030	$ 2,111,119	$ -	$ -	$ -	$ -	$ -	$ 568,500	$ 680,205	$ 1,365,205
Unreserved	3,634,712	910,615	2,189,420	(1,186,656)	(3,346,433)	(4,667,829)	(3,968,008)	(5,961,876)	(5,440,674)	1,645,502
SUBTOTAL, GENERAL FUND	$ 6,899,742	$ 3,021,734	$ 2,189,420	$ (1,186,656)	$ (3,346,433)	$ (4,667,829)	$ (3,968,008)	$ (5,393,376)	$ (4,760,469)	$ 3,010,707
% Change from prior year		-56.21%	-27.54%	-154.20%	-182.01%	-39.49%	14.99%	-35.92%	11.73%	163.24%
ALL OTHER GOVERNMENT FUNDS										
Reserved	$ 1,418,081	$ 1,758,438	$ 1,786,874	$ 1,799,112	$ 2,188,536	$ 1,484,413	$ 736,094	$ 9,155,459	$ 10,697,361	$ 13,820,910
Unreserved, reported in										
Working Cash Fund	-	-	-	-	-	-	-	3,827,869	3,909,350	-
GARRA Bonds Series 2004A	-	-	12,173,867	12,170,535	11,379,989	10,577,426	10,272,112	-	-	-
Nonmajor Governmental Funds	4,278,622	65,870	3,296,791	8,474,178	7,429,493	5,185,108	6,967,832	(3,969,602)	(5,864,787)	(4,006,035)
SUBTOTAL, ALL OTHER GOVERNMENTAL FUNDS	$ 5,696,703	$ 1,824,308	$ 17,257,532	$ 22,443,825	$ 20,998,018	$ 17,246,947	$ 17,976,038	$ 9,013,726	$ 8,741,924	$ 9,814,875
% Change from prior year	$ 2,089,456	-67.98%	845.98%	30.05%	-6.44%	-17.86%	4.23%	-49.86%	-3.02%	12.27%
TOTAL GOVERNMENTAL FUNDS	$ 12,596,445	$ 4,846,042	$ 19,446,952	$ 21,257,169	$ 17,651,585	$ 12,579,118	$ 14,008,030	$ 3,620,350	$ 3,981,455	$ 12,825,582
% Change from prior year		-61.53%	301.30%	9.31%	-16.96%	-28.74%	11.36%	-74.16%	9.97%	222.13%

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN FUND BALANCES
Last Eight Fiscal Years*

	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES								
Property taxes	$ 10,622,280	$ 10,727,149	$ 11,544,823	$ 12,672,760	$ 12,071,971	$ 12,809,050	$ 14,859,858	18,752,446
Sales taxes	-	-	-	-	-	2,645,880	2,403,228	2,023,821
Income taxes	-	-	-	-	-	1,679,644	1,474,908	1,510,967
Utility taxes	-	-	-	-	-	2,317,939	2,073,897	3,117,429
Other taxes	4,202,330	4,236,348	4,458,929	4,162,321	4,246,953	2,809,000	2,488,715	1,709,620
Licenses, permits and fees	934,175	1,015,377	1,254,868	2,034,139	1,268,940	1,905,453	1,255,180	1,295,823
Grant revenue	-	-	-	-	-	3,590,887	426,248	1,826,606
Other revenue	-	-	-	-	-	1,145,311	607,818	893,377
Fines and forfeitures	432,120	447,588	370,265	515,155	682,778	614,158	1,398,471	734,603
Investment income	163,746	337,640	303,948	468,003	237,097	85,658	8,996	6,931
Charges for services	562,144	559,262	510,064	587,716	471,531	1,524,027	1,745,334	1,359,902
Intergovernmental	4,401,245	4,626,015	4,884,388	6,235,875	6,906,299	-	-	-
Fees, reimbursements, grants and misc	5,432,090	7,900,772	3,016,253	1,735,794	2,503,047	-	-	-
Total revenues	26,750,130	29,850,151	26,343,538	28,411,763	28,388,616	31,127,007	28,742,653	33,231,525
EXPENDITURES								
General government	11,130,439	9,079,826	11,132,434	11,580,026	10,677,279	5,777,737	6,289,821	6,121,843
Public safety	11,276,893	11,583,081	11,524,671	12,431,294	11,878,536	12,559,651	12,466,444	12,334,899
Highway and street	7,622,298	8,694,873	3,582,940	4,916,324	2,932,432	10,820,932	2,175,441	2,501,434
Public Health	-	-	-	-	-	1,713,128	1,805,671	255,172
Community development	-	-	-	-	-	1,757,058	2,946,157	800,946
Building department	-	-	-	-	-	869,230	858,240	785,341
Debt service								
Principal	599,991	488,160	98,880	116,552	698,807	170,000	470,000	520,000
Interest and other charges	1,058,012	1,259,067	1,984,346	2,815,484	1,536,317	1,311,237	1,501,710	1,368,737
Capital outlay	-	-	-	-	-	4,913,958	1,093,348	2,462,715
Total expenditures	31,687,633	31,105,007	28,323,271	31,859,680	27,723,371	39,892,931	29,606,832	27,151,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,937,503)	(1,254,856)	(1,979,733)	(3,447,917)	665,245	(8,765,924)	(864,179)	6,080,438

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN FUND BALANCES
Last Eight Fiscal Years*

	2004	2005	2006	2007	2008	2009	2010	2011
OTHER FINANCING SOURCES (USES)								
Bond proceeds	$ 15,388,472	$ 4,468,882	$ -	$ -	$ 8,155,000	$ -	$ -	$ -
Bond Premium	-	-	-	-	54,690	-	-	-
Bond Issuance costs	-	-	-	-	(285,158)	-	-	-
Proceeds from capital lease	-	-	-	-	-	267,271	92,889	175,000
Proceeds from sale of fixed assets	-	-	-	-	-	109	415,408	-
Transfers in	-	-	-	-	-	-	1,659,872	6,620,322
Transfers out	-	(1,414,117)	(1,625,850)	(1,624,550)	(1,623,850)	-	(1,659,872)	(5,595,330)
Transfers of assets held for resale	-	-	-	-	-	(837,320)	-	-
Total other financing sources (uses)	15,388,472	3,054,765	(1,625,850)	(1,624,550)	6,300,682	(569,940)	508,297	1,199,992
Special Items	-	-	-	-	-	-	-	-
Purchase of property	-	-	-	-	(5,537,015)	-	-	-
NET CHANGES IN FUND BALANCES	10,450,969	1,799,909	(3,605,583)	(5,072,467)	1,428,912	(9,335,864)	(355,882)	7,280,430
FUND BALANCES, BEGINNING OF YEAR, RESTATED	8,995,983	19,457,259	21,257,168	17,651,585	12,579,118	12,956,214	4,337,337	5,545,152
FUND BALANCES, END OF YEAR	$ 19,446,952	$ 21,257,168	$ 17,651,585	$ 12,579,118	$ 14,008,030	$ 3,620,350	$ 3,981,455	$ 12,825,582
RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES	5.52	5.95	7.94	10.14	8.77	4.42	7.43	8.28

Note: The Garbage Fund was reclassified from a special revenue fund to an enterprise fund in FY11.

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Calendar (Tax) Years

Tax Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable AV	Tax Rate	Estimated Actual Value	Annual Pct Change
2001	$ 167,559,841	$ 69,517,180	$ 433,048,508	$ 4,227,374	$ 674,352,903	1.272%	$ 2,023,058,709	11.5%
2002	180,432,801	73,623,815	455,928,229	5,443,854	715,428,699	1.225%	2,146,286,097	6.1%
2003	178,809,264	70,518,228	457,333,912	5,629,549	712,290,953	1.272%	2,136,872,859	-0.4%
2004	209,025,308	82,187,269	497,460,641	6,481,108	795,154,326	1.170%	2,385,462,978	11.6%
2005	223,247,581	82,585,695	519,344,639	5,903,783	831,081,698	1.160%	2,493,245,094	4.5%
2006	233,721,677	79,309,634	501,442,582	5,926,853	820,400,746	1.228%	2,461,202,238	-1.3%
2007	273,660,151	95,408,821	567,756,101	6,089,446	942,914,519	1.103%	2,828,743,557	14.9%
2008	305,501,332	96,198,068	587,404,217	7,306,346	996,409,963	1.095%	2,989,229,889	5.7%
2009	314,234,013	78,817,935	514,736,708	8,327,269	916,115,925	1.582%	2,748,347,775	-8.1%
2010	237,545,123	82,906,086	516,164,672	6,298,942	842,914,823	1.702%	2,528,744,469	-8.0%

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Calendar (Tax) Years

Tax Levy Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rate										
Corporate	0.3936	0.4146	0.4159	0.3912	0.3442	0.3338	0.2859	0.2922	0.3827	0.3619
Bond & Interest	0.0141	0.0136	0.0147	0.0114	0.0106	0.0111	0.0093	0.0091	0.3945	0.3909
Garbage	0.1459	0.1644	0.1609	0.1280	0.1390	0.1253	0.1089	0.1219	-	-
Police Pension	0.1825	0.1411	0.1489	0.1218	0.1101	0.0924	0.0905	0.0880	0.1268	0.1431
Fire Pension	0.1176	0.1253	0.1322	0.1416	0.1286	0.1073	0.0921	0.0893	0.1286	0.1469
IMRF	0.0061	0.0013	0.0007	0.0008	0.0055	0.0072	0.0199	0.0176	-	-
Street & Bridge	0.0900	0.0943	0.0951	0.0894	0.0761	0.0763	0.0653	0.0667	0.0960	0.1000
Fire Protection	0.0675	0.0705	0.0713	0.0650	0.0580	0.1437	0.1118	0.1133	0.1631	0.2132
Police Protection	0.0675	0.0705	0.0713	0.0650	0.0580	0.1437	0.1118	0.1133	0.1631	0.2147
Civil Defense	0.0010	0.0009	0.0004	0.0008	0.0007	0.0006	0.0005	0.0005	-	-
Social Security	0.0300	0.0220	0.0231	0.0197	0.0408	0.0343	0.0201	0.0183	-	-
Auditing	0.0115	0.0108	0.0103	0.0095	0.0061	0.0043	0.0053	0.0056	-	-
Liability Insurance	0.0777	0.0432	0.0800	0.1074	0.1314	0.1102	0.1008	0.0880	0.1266	0.1307
Street Lighting	0.0378	0.0353	0.0289	0.0064	0.0392	0.0273	0.0308	0.0351	-	-
Crossing Guards	0.0133	0.0122	0.0126	0.0092	0.0080	0.0076	0.0057	0.0063	-	-
Working Cash	0.0154	0.0041	0.0051	0.0026	0.0028	0.0029	0.0325	0.0156	-	-
CBOE Medicare	-	-	-	-	-	-	0.0118	0.0137	-	-
Total Direct Rate	1.2715	1.2241	1.2714	1.1698	1.1591	1.2280	1.1030	1.0945	1.5814	1.7014

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Calendar (Tax) Years

Tax Levy Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Overlapping Rates										
Consolidated Elections	0.032	-	0.029	-	0.014	-	0.012	-	0.021	-
Cook County Forest Preserve District	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051
County of Cook	0.746	0.069	0.063	0.593	0.533	0.500	0.446	0.415	0.394	0.423
Suburban Cook County TB Sanitarium District	0.007	0.006	0.004	0.001	0.005	0.005	-	-	-	-
Leyden Township Road & Bridge	0.116	0.112	0.117	0.108	0.107	0.111	0.098	0.097	0.102	0.115
Leyden Township General Assistance	0.004	0.004	0.004	0.004	0.004	0.004	0.003	0.003	0.003	0.004
Leyden Township	0.076	0.075	0.080	0.074	0.074	0.077	0.068	0.067	0.071	0.081
Triton Community College District 504	0.306	0.257	0.269	0.259	0.233	0.240	0.224	0.212	0.214	0.225
Community High School District 212	1.650	1.654	2.199	2.030	2.004	2.093	1.868	1.869	1.989	2.223
School District 84	3.200	3.048	3.154	2.933	2.922	3.424	3.389	3.374	3.383	3.932
Metropolitan Water Reclamation District	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274
Franklin Park Public Library	0.178	0.172	0.179	0.166	0.165	0.175	0.152	0.152	0.167	0.187
Franklin Park Park District	0.440	0.417	0.451	0.418	0.407	0.423	0.377	0.373	0.403	0.438
	8.495	7.470	8.240	8.163	8.002	8.621	8.056	7.960	8.638	9.654
	9.766	8.694	9.512	9.333	9.161	9.849	9.159	9.054	10.220	11.356

Note: Cook County changed the way it allocates property tax revenues in tax year 2009

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
PRINCIPAL TAXPAYERS
Calendar (Tax) Years 2009 and 2000

Tax Year 2009

Taxpayer	Business/Service	Equalized Assessed Valuation	% of EAV
Albertsons*	Grocery Store & Distribution Center (Jewel)	$ 7,417,493	0.811%
Centerpoint Properties*	Real Estate Investments	7,293,961	0.797%
Franklin Partners*	Real Estate Investments	3,776,171	0.413%
United States Tobacco*	Tobacco Products	3,393,495	0.371%
Entropy Consortium	Real Estate Investments	2,685,690	0.293%
Nestle USA*	Candy Manufacturer	2,256,925	0.247%
Sloan Valve*	Flush Valve Manufacturer	2,190,982	0.239%
Realty Associates Fund VIII	Real Estate Investments	2,124,999	0.232%
Life Fitness*	Fitness Equipment	1,829,466	0.200%
AM Castle & Company	Metal Distribution/Processing	1,823,286	0.199%
		$ 34,792,468	3.802%

Tax Year 2000

Taxpayer	Business/Service	Equalized Assessed Valuation	% of EAV
Centerpoint Properties*	Real Estate Investments	$ 8,636,597	1.427%
Albertsons*	Grocery Store & Distribution Center (Jewel)	7,521,513	1.243%
Central Grocers Coop	Grocery Distribution	6,164,131	1.019%
United States Tobacco*	Tobacco Products	3,799,993	0.628%
Nestle USA*	Candy Manufacturer	3,140,983	0.519%
The Legacy Group	Real Estate Investments	2,757,364	0.456%
Sloan Valve*	Flush Valve Manufacturer	2,751,470	0.455%
Franklin Partners*	Real Estate Investments	2,428,058	0.401%
HSA Commercial Real Estate	Real Estate Investments	2,307,206	0.381%
Life Fitness*	Fitness Equipment	2,277,531	0.376%
		$ 41,784,846	6.906%

*Denotes those taxpayers appearing on both 2000 and 2009 lists

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Tax Levy Years	Net Tax Levy	Amount Collected	Percent of Levy
2002	2000-2001	$ 8,577,769	$ 8,521,769	99.35%
2003	2001-2002	8,764,002	8,605,204	98.19%
2004	2002-2003	9,060,341	8,988,185	99.20%
2005	2003-2004	9,303,306	9,155,455	98.41%
2006	2004-2005	9,640,548	9,596,451	99.54%
2007	2005-2006	10,074,521	10,135,551	100.61%
2008	2006-2007	10,400,347	10,140,492	97.50%
2009	2007-2008	10,910,689	10,200,891	93.49%
2010	2008-2009	14,476,701	11,611,899	80.21%
2011	2000-2010	14,346,410	15,664,822	109.19%

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
SALES TAX RECEIPT ANALYSIS BY SECTOR
Last Ten Calendar Years

Municipal Sales Tax	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Merchandise	167,036	160,708	154,455	132,027	121,230	116,263	118,978	111,315	107,120	101,460
Food	428,409	400,587	354,958	331,400	344,072	345,713	347,827	342,977	305,796	293,895
Drinking and Eating Places	115,279	128,296	121,624	126,106	131,281	153,742	144,526	155,839	137,481	158,940
Apparel	6,368	-	-	5,960	7,178	8,857	11,614	10,119	10,152	10,725
Furniture & H.H. & Radio	31,622	29,434	23,154	23,330	31,181	39,293	57,535	30,963	200,074	392,483
Lumber, Bldg, Hardware	96,747	86,138	95,519	93,543	120,929	151,272	141,909	121,062	107,586	140,035
Automotive & Filling Stations	224,834	254,961	396,398	347,353	364,016	656,042	882,801	660,003	367,812	298,049
Drugs & Misc. Retail	242,683	220,309	205,374	197,147	226,813	236,786	250,925	374,365	354,649	239,827
Agriculture & All Others	575,997	536,651	458,228	440,580	516,403	730,571	766,316	905,352	604,012	414,891
Manufacturers	158,960	168,599	153,305	162,697	155,016	133,855	172,860	144,638	175,207	193,310
	$2,047,935	$1,985,683	$1,963,016	$1,860,143	$2,018,118	$2,572,394	$2,895,290	$2,856,633	$2,369,889	$2,243,613

Source: Illinois Department of Revenue

VILLAGE OF FRANKLIN PARK, ILLINOIS
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct										
Village of Franklin Park	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Overlapping										
State of Illinois	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Cook County Home Rule	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.75%	1.75%	1.25%
Regional Transportation Authority	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%
	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%	9.00%	9.00%	8.50%

Source: Illinois Department of Revenue

VILLAGE OF FRANKLIN PARK, ILLINOIS
RATIO OF GENERAL OBLIGATION BONDED DEBT TO EQUALIZED ASSESSED VALUATION
AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Equalized Assessed Valuation (EAV)	General Obligation Bonded Debt	Illinois EPA Loans	Leases Payable	Net OPEB and Pension Obligations	Total Debt	Ratio of Total Debt to EAV	Total Personal Income	Total Debt Per Capita	Total Debt to Personal Income
2002	19,507	$ 674,352,903	$ 23,500,000	$ 11,949,208	$ 184,317	$ -	$ 35,633,525	5.3%	$ 352,732,044	1,826.70	10.1%
2003	19,360	715,428,699	22,410,000	11,329,039	131,166	-	33,870,205	4.7%	357,855,915	1,749.49	9.5%
2004	19,213	712,290,953	36,345,000	10,547,698	100,838	-	46,993,536	6.6%	362,864,480	2,445.92	13.0%
2005	19,067	795,154,326	39,745,000	10,247,811	721,136	-	50,713,947	6.4%	367,756,033	2,659.78	13.8%
2006	18,920	831,081,698	38,980,000	9,538,431	604,674	-	49,123,105	5.9%	372,531,046	2,596.36	13.2%
2007	18,773	820,400,746	39,045,000	8,807,916	488,234	-	48,341,150	5.9%	377,189,120	2,575.04	12.8%
2008	18,626	942,914,519	46,385,000	8,055,631	502,871	-	54,943,502	5.8%	381,730,182	2,949.83	14.4%
2009	18,480	996,409,963	47,203,591	7,280,921	649,490	3,209,989	58,343,991	5.9%	386,135,606	3,157.14	15.1%
2010	18,333	916,115,925	45,839,785	6,483,112	1,102,840	6,608,099	60,033,836	6.6%	390,463,920	3,274.63	15.4%
2011	18,333	842,914,823	44,391,617	5,661,510	975,834	8,589,349	59,618,310	7.1%	387,357,957	3,251.97	15.4%

VILLAGE OF FRANKLIN PARK, ILLINOIS
SCHEDULE OF BONDED DEBT RETIREMENT
At April 30, 2011

		Percent Retired	
Payment Year	Amortization	Annually	Cumulatively
2011	1,610,000	3.76%	3.76%
2012	1,765,000	4.12%	7.89%
2013	1,795,000	4.19%	12.08%
2014	1,875,000	4.38%	16.46%
2015	2,050,000	4.79%	21.25%
2016	2,185,000	5.11%	26.36%
2017	2,290,000	5.35%	31.71%
2018	2,490,000	5.82%	37.52%
2019	2,645,000	6.18%	43.70%
2020	2,770,000	6.47%	50.18%
2021	3,005,000	7.02%	57.20%
2022	2,365,000	5.53%	62.72%
2023	1,400,000	3.27%	65.99%
2024	1,470,000	3.43%	69.43%
2025	1,070,000	2.50%	71.93%
2026	1,110,000	2.59%	74.52%
2027	1,160,000	2.71%	77.23%
2028	1,205,000	2.82%	80.05%
2029	1,255,000	2.93%	82.98%
2030	1,310,000	3.06%	86.04%
2031	1,385,000	3.24%	89.28%
2032	1,455,000	3.40%	92.68%
2033	1,530,000	3.57%	96.25%
2034	1,605,000	3.75%	100.00%
	$ 42,800,000		

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
SCHEDULE OF DIRECT AND OVERLAPPING DEBT
At September 1, 2011

Government	General Obligation Bonded Debt	Percentage Applicable to the Village of Franklin Park	Village of Franklin Park Share of Debt
Direct Debt			
Village of Franklin Park	$ 41,650,000	100.00%	$ 41,650,000
Total Direct Debt			41,650,000
Overlapping Debt			
Cook County	3,080,770,000	0.51%	15,711,927
School District 83	32,930,000	47.07%	15,500,151
Metropolitan Water Reclamation District	1,964,289,000	0.52%	10,214,303
School District 84	9,329,859	91.84%	8,568,543
High School District 212	15,767,742	34.02%	5,364,186
School District 81	26,781,431	8.44%	2,260,353
Franklin Park Park District	885,000	98.90%	875,265
Veterans Park District	5,145,000	14.55%	748,598
Cook County Forest Preserve District	108,665,000	0.51%	554,192
School District 84-5	5,005,000	7.06%	353,353
Bensenville Park District	6,677,190	3.18%	212,335
Northlake Public Library District	7,950,000	1.45%	115,275
Leyden Township Fire Protection District	624,375	6.43%	40,147
Total Overlapping Debt			60,518,626
Total Direct and Overlapping Debt			$ 102,168,626

Note: Information as of April 30, 2011 not available. Overlapping debt computed by taknig the percentage of Village property in the overlapping District against the total area of the overlapping district.

VILLAGE OF FRANKLIN PARK, ILLINOIS
DEBT LIMIT
At April 30, 2011

Tax Year 2010 Estimated Market Valuation	$	2,745,265,638
Tax Year 2010 Equalized Assessed Valuation	$	916,889,459
Debt Limit Percentage		8.625%
Current Debt Limit	$	79,081,716
Outstanding General Obligation Bonds	$	160,000
Outstanding Alternate Revenue Bonds*		42,640,000
Total Direct Debt	$	42,800,000
Less Debt Not Subject to Debt Limit		42,640,000
Debt Subject to Debt Limit		160,000
Debt Margin	**$**	**78,921,716**

*Alternate revenue bonds are excluded from statutory limits on indebtedness

VILLAGE OF FRANKLIN PARK, ILLINOIS
DEMOGRAPHIC STATISTICS
Last Ten Calendar Years

Calendar Year	Estimated Population	Estimated Per Capita Income	School Enrollment	Annual Average Unemployment Rate	Estimated Median Household Income	Estimated Median Age	Estimated College Graduation %
2001	19,653	17,948	1,323	7.4%	47,913	34.1	11.6%
2002	19,507	18,345	1,349	9.0%	49,138	34.3	11.8%
2003	19,360	18,743	1,368	9.2%	50,364	34.5	12.1%
2004	19,213	19,141	1,435	8.5%	51,589	34.7	12.3%
2005	19,067	19,538	1,389	8.2%	52,814	34.9	12.6%
2006	18,920	19,936	1,349	6.2%	54,039	35.1	12.8%
2007	18,773	20,334	1,351	6.9%	55,265	35.3	13.1%
2008	18,626	20,731	1,327	8.6%	56,490	35.5	13.3%
2009	18,480	21,129	1,325	13.8%	57,715	35.7	13.6%
2010	18,333	21,129	1,328	14.1%	57,715	35.7	13.6%

Note:
Estimated Population based on "stepped down" census data for 2000 and 2010
Estimated Per Capita Income, Estimated Median Household Income, Estimated Median Age, and Estimated College Graduate % based on American FactFinder data for 2000 and American Community Survey five year estimates for 2005-2009 transitioned from data end points of 2000 and 2009. 2010 census data for these categories not yet available.
School Enrollment is based on Illinois School Districts 84 and 212

VILLAGE OF FRANKLIN PARK, ILLINOIS
MAJOR EMPLOYERS LOCATED WITHIN VILLAGE LIMITS
Calendar Years 2010 and 2001

2010

Company	Business	Employment
Hill Mechanical Group	Plumbing, piping and refrigeration contractors	900
Canadian Pacific Railway	Railroad yard	800
Sloan Valve Company	Flush valves. Faucets, shower heads and had dryers	750
Nestle USA Confections & Snacks Division	Candy and confectionary	750
United Parcel Service	Courier service	600
Fresh Express Corporation	Produce processing	557
Transilwrap Company, Inc.	Plastic extrusion, coating and laminating film	550
Bretford, Inc.	Office furniture	500
DHL Global Forwarding	International Freight Consolidation	450
Life Fitness, Inc.	Fitness equipment	450

2001

Company	Business	Employment
ESNA Industrial	Bolts, nuts, rivets and washer	2,000
Ekco Houewares, Inc.	Non-electrical household products distribution	1,000
Nestle USA Confections & Snacks Division	Candy and confectionary	900
Canadian Pacific Railway	Railroad yard	850
Sloan Valve Company	Flush valves, faucets, shower heads and had dryers	750
Werner Company	Aluminum, fiberglass and wooden ladders	750
Bretford, Inc.	Office furniture	700
Transilwrap Company, Inc.	Plastic extrusion, coating and laminating film	700
Life Fitness, Inc.	Fitness equipment	600
Redi-Cut Foods, Inc.	Produce processing	600

Source: Illinois Manufacturers Directory and Illinois Services Directory

VILLAGE OF FRANKLIN PARK, ILLINOIS
OPERATING INFORMATION AND INDICATORS
Last Ten Calendar Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FIRE PROTECTION										
Fire responses	201	149	212	160	184	203	203	156	130	116
Rescue/emergency responses	1,871	1,754	1,756	1,692	1,742	1,787	1,742	1,744	1,591	1,523
Other incidents	1,250	1,062	1,335	1,290	1,465	1,485	1,698	1,539	1,013	1,377
Injuries/fatalities	21	18	10	21	24	12	12	58	5	8
Mutual aid given	369	388	352	347	332	373	374	397	330	289
Mutual aid received	468	315	532	447	246	244	239	330	221	327
POLICE PROTECTION										
Parking violations	8,664	7,565	9,269	7,340	6,246	7,125	7,193	5,695	8,499	9,914
Traffic citations	4,997	5,404	5,358	5,832	5,565	4,680	3,668	4,027	4,528	3,422
Arrests	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,274	1,147	741
MUNICIPAL WATER SYSTEM										
Water/Sewer Customers, Residential	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,709

VILLAGE OF FRANKLIN PARK, ILLINOIS
CAPITAL ASSET STATISTICS
Last Ten Calendar Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire fighting vehicles	6	6	6	6	6	6	6	6	6	5
Ambulances	3	3	3	3	3	3	3	3	3	1
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Vehicles	24	24	24	24	24	24	24	24	24	24
PUBLIC WORKS										
Streets, miles	75.0	75.0	75.0	75.0	75.0	75.0	74.2	74.2	74.8	75.0
Alleys, miles	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9
Vehicles	28	31	31	29	30	28	26	24	25	27
MUNICIPAL WATER SYSTEM										
Sanitary sewer pipe, miles	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5
CSO/storm sewer pipe, miles	65.5	65.5	65.5	65.5	65.5	65.5	65.5	65.5	65.5	65.5
Water mains, miles	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Pump stations	3	3	3	3	3	3	3	3	3	3
Water storage tanks	7	7	7	7	7	7	7	7	7	7
Water storage capacity, millions of gallons	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Sanitary/storm lift stations	8	8	9	9	9	9	9	9	9	9
Number of fire hydrants	876	876	876	876	876	876	876	876	876	876
Vehicles	12	10	11	9	9	8	9	9	9	9

Source: Village Records

VILLAGE OF FRANKLIN PARK, ILLINOIS
FULL TIME EQUIVALENT EMPLOYEES
Last Ten Calendar Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FIRE PROTECTION										
Sworn personnel	46	46	46	46	46	46	46	46	44	42
Civilian personnel	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5
POLICE PROTECTION										
Sworn personnel	53	53	53	53	53	52	51	51	49	49
Civilian personnel	7	7	7	7	7	7	7	6	5	5
PUBLIC WORKS										
Supervisory personnel	3	3	3	3	3	3	3	3	3	3
Non-supervisory personnel	17.0	15.0	16.0	16.0	16.0	14.0	15.0	13.0	11.5	10.5
MUNICIPAL WATER SYSTEM										
Supervisory personnel	3	3	3	3	3	3	3	3	3	3
Non-supervisory personnel	10	10	10	9	11	9	9	10	9	8

Source: Village Records

2010

FRANKLIN PARK	12/01/89	$700,000.00	$0.00			$0.00	EXP 2008
	08/01/91	$10,000,000.00	$1,775,000.00	08/07/91	$957,420.00	$0.00	
				03/10/94	$817,580.00		
	03/01/92	$13,000,000.00	$2,200,000.00	04/07/92	$1,152,820.00	$0.00	
				03/10/94	$1,047,180.00		
	03/01/92	$1,000,000.00	$195,000.00	04/07/92	$106,500.00	$0.00	
				10/07/03	$88,500.00		
	12/15/93	$23,065,000.00	$1,839,475.00	08/26/04	$1,839,475.00	$0.00	
	10/01/03	$650,000.00	$85,100.00			$85,100.00	
	02/01/04	$14,865,000.00	$743,250.00	12/15/06	$432,500.00	$310,750.00	
	04/01/04	$20,135,000.00	$1,776,350.00			$1,776,350.00	
	01/01/05	$4,165,000.00	$330,997.50	06/27/11	$330,997.50	$0.00	
	2006	$9,500,000.00	$419,200.00			$419,200.00	
	2007	$8,155,000.00	$664,970.00	06/27/11	$664,970.00	$0.00	
	2010	$10,000,000.00	$1,500,000.00	06/27/11	$953,140.00	$546,860.00	
TOTAL			$11,529,342.50			$3,138,260.00	
ADJUSTED TOTAL			$11,529,343			$3,138,260	

2011 Escrow - Yes

BOND ORDER AND CERTIFICATE OF THE LEVY OF TAXES PURSUANT TO ORDINANCE NO. 0910-G-24 PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $10,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2011 OF THE VILLAGE OF FRANKLIN PARK, COOK COUNTY, ILLINOIS, AND PROVIDING FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS

The undersigned, Barrett F. Pedersen, Village President of the Village of Franklin Park (the "Village"), Cook County, Illinois, on behalf of the Village hereby orders, pursuant to Section 3 and Section 11 of Ordinance No. 0910-G-24 passed February 16, 2010 (the "Ordinance") as follows:

1. **BOND DETAILS.** The principal amount of the "General Obligation Bonds (Alternate Revenue Source), Series 2011" (the "Bonds") to be issued shall be $9,975,000. The Bonds shall be dated September 22, 2011 and shall become due serially in the amounts, and bearing interest at the rates per annum as follows:

Dates of Maturity	Principal Amount	Interest Rate
7/01/2014	$405,000	4.000%
7/01/2015	$425,000	4.000%
7/01/2016	$440,000	3.000%
7/01/2017	$455,000	3.000%
7/01/2018	$470,000	3.375%
7/01/2019	$475,000	3.750%
7/01/2020	$500,000	4.000%
7/01/2021	$520,000	4.000%
7/01/2030	$6,285,000	6.250%

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COOK CO. CLERKS OFFICE
AUG 20 2011
DAVID ORR
TAX EXTENSION DIVISION

Interest (computed on the basis of a 360-day year of twelve 30-day months) shall be payable on January 1 and July 1 of each year, commencing January 1, 2012.

The Bonds due on July 1, 2030 are Term Bonds and are subject to mandatory redemption at a price of par and accrued interest, without premium, on the dates and in the amounts as follows:

Entered into bond book +2012

Dates of Mandatory Redemption	**Principal Amount**
7/01/2022	$ 540,000
7/01/2023	$ 575,000
7/01/2024	$ 610,000
7/01/2025	$ 650,000
7/01/2026	$ 690,000
7/01/2027	$ 735,000
7/01/2028	$ 780,000
7/01/2029	$ 825,000

with $880,000 remaining to be paid at maturity on July 1, 2030.

The Bonds due on and after July 1, 2022 are subject to redemption prior to maturity on July 1, 2021, or on any date thereafter, in whole or in part, at par plus accrued interest.

Amalgamated Bank of Chicago, Chicago, Illinois, is hereby appointed as the Paying Agent and Bond Registrar.

Each of the Bonds in hereby designated as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

2. **SALE OF BONDS.** The Bonds shall be sold to George K. Baum & Company at a purchase price of $10,322,134.24, reflecting a premium of $504,324.10 less an underwriting discount of $157,189.86.

3. **TAX LEVY.** In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the Village a direct annual tax (the "Pledged Taxes") for each of the years while the Bonds are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied a tax upon all of the taxable property in the Village, and the tax levy previously made in Ordinance No. 0910-G-24 is hereby abated as follows:

For the Year	Original Tax Levy	Abatement	Final Tax Levy
2011	$1,500,000	$972,662	$527,338
2012	$1,500,000	$567,662	$932,338
2013	$1,500,000	$563,862	$936,138
2014	$1,500,000	$565,862	$934,138
2015	$1,500,000	$564,062	$935,938
2016	$1,500,000	$562,712	$937,288
2017	$1,500,000	$573,575	$926,425
2018	$1,500,000	$566,387	$933,613
2019	$1,500,000	$566,387	$933,613
2020	$1,500,000	$567,187	$932,813
2021	$1,500,000	$565,937	$934,063
2022	$1,500,000	$566,875	$933,125
2023	$1,500,000	$565,000	$935,000
2024	$1,500,000	$565,625	$934,375
2025	$1,500,000	$563,750	$936,250
2026	$1,500,000	$564,687	$935,313
2027	$1,500,000	$568,437	$931,563
2028	$1,500,000	$565,000	$935,000

4. **Municipal Bond Insurance Policy.** Assured Guaranty Corp., New York, New York, has issued its Commitment to Issue Financial Guaranty Insurance Policy in connection with the issuance of the Bonds. It is hereby expressly provided that said Commitment be attached to the Ordinance and incorporated therein as provided therein and that the Village accepts the terms and conditions thereof. The following language shall be printed on the Bonds:

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Amalgamated Bank of Chicago, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

5. **TAX ESCROW AGREEMENT.** A tax escrow agreement (the "Tax Escrow Agreement") shall be entered into by the Village providing that the Pledged Taxes shall be delivered by Cook County directly to the Paying Agent (acting as Escrow Trustee). The Tax Escrow Agreement shall contain such usual and reasonable provisions and shall be in such form as approved by the Village Attorney. The Village President and Village Clerk shall execute the Tax Escrow Agreement on behalf of the Village, their execution to constitute exclusive proof of action in accordance with the provisions of the Ordinance and this Bond Order.

6. **FUND DEPOSITS.** The proceeds of the Series 2011 Bonds shall be deposited or used in substantially the following amounts:

Municipal Bond Insurance (Assured Guaranty Corp.)		$ 210,162.64
Costs of Issuance Account		115,000.00
Project Account		9,996,971.60
	TOTAL	$ 10,322,134.24

Dated: September 15, 2011

Barrett F. Pedersen, Village President

NEW ISSUE - BOOK-ENTRY ONLY **RATINGS: Standard & Poor's: AA+ (negative outlook)**
Standard & Poor's Underlying Rating (SPUR): BBB
(See "RATINGS" herein)

Subject to compliance by the Village with certain covenants, in the opinion of Louis F. Cainkar, Ltd., Bond Counsel, under present law, interest on the Bonds will not be includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. SEE "TAX MATTERS" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265 (b) (3) of the Internal Revenue Code of 1986 as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein. Interest on the Bonds is not exempt from present Illinois income taxes.

$9,975,000
Village of Franklin Park
Cook County, Illinois
General Obligation Bonds
(Alternate Revenue Source)
Series 2011

Dated: Date of Delivery **Due: July 1, as shown on inside cover page**

The General Obligation Bonds (Alternate Revenue Source), Series 2011 (the "*Bonds*") are being issued by the Village of Franklin Park, Cook County, Illinois (the "*Village*"). The Bonds will be issued in denominations of $5,000 or any integral multiple thereof and will be dated the date of delivery and will bear interest from that date and mature on the dates as shown on the inside cover. Interest on the Bonds will be payable semiannually on each January 1 and July 1, beginning January 1, 2012.

The Bonds will be issued using a book-entry system. The Depository Trust Company ("*DTC*"), New York, New York, will act as securities depository for the Bonds. Principal and interest with respect to the Bonds will be paid by Amalgamated Bank of Chicago, Chicago, Illinois, as Tax Escrow Agent (as defined herein) and as bond registrar and paying agent for the Bonds (the "Bond Registrar") to DTC or its nominee, which in turn will remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "DESCRIPTION OF THE BONDS – Book-Entry System" herein.

The Bonds are subject to optional and mandatory redemption prior to maturity. See "DESCRIPTION OF THE BONDS – Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp.

ASSURED GUARANTY®
MUNICIPAL

The Bonds, as herein defined, are payable from (i) all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers' Occupation Tax, the Non-Home Rule Municipal Service Occupation Tax, the Non-Home Rule Municipal Use Tax, and the Non-Home Rule Municipal Service Use Tax, each as supplemented and amended, from time to time, or substitute taxes therefore as provided in the future (the "*Pledged Revenues*") and (ii) ad valorem taxes levied against all taxable property in the Village without limitation as to rate or amount (the "*Pledged Taxes*"), all in accordance with Section 15 of the Act, and all except as limited by bankruptcy, insolvency, moratorium, reorganization, and other similar law relating to the enforcement of creditors' rights and subject to the exercise of judicial discretion. See "DESCRIPTION OF THE BONDS – Security for the Bonds".

The Bonds are offered when, as, and if issued and received by the Village subject to the approval of legality by Louis F. Cainkar, Ltd., Chicago, Illinois, Bond Counsel. Certain legal matters will be passed upon for the Village by Odelsen & Sterk, Ltd., Evergreen Park, Illinois. Certain legal matters will be passed upon for the Underwriter by Burke Burns & Pinelli, Ltd., Chicago, Illinois. It is expected that the Bonds in definitive form, will be available for delivery to the Underwriter through the facilities of DTC on or about September 22, 2011.

GEORGE K. BAUM & COMPANY

September 15, 2011

MATURITY SCHEDULE

Village of Franklin Park
Cook County, Illinois

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

$9,975,000
GENERAL OBLIGATION BONDS
(ALTERNATE REVENUE SOURCE)
SERIES 2011

Maturity (July 1)	Amount	Interest Rate	Price or Yield	CUSIP (1)
2014	$405,000	4.000%	2.300%	354496 FR7
2015	$425,000	4.000%	2.550%	354496 FS5
2016	$440,000	3.000%	2.850%	354496 FT3
2017	$455,000	3.000%	3.150%	354496 FU0
2018	$470,000	3.375%	3.500%	354496 FV8
2019	$475,000	3.750%	3.800%	354496 FW6
2020	$500,000	4.000%	4.000%	354496 FX4
2021	$520,000	4.000%	4.130%	354496 FY2

$6,285,000, 6.250%* Term Bond due July 1, 2030, Price 107.560%, CUSIP 354496 GH8

*Priced to call.

 CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed are being provided solely for the convenience of the bondholders only at the time of the issuance of the Bonds and the Village does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

Village of Franklin Park
Cook County, Illinois

REGARDING USE OF THIS OFFICIAL STATEMENT

The Village has obtained certain information contained, or incorporated by reference, in this Official Statement from sources that are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Village or the Underwriter. The delivery of this Official Statement at any time does not imply that information in it is correct as of any time other than its date. No dealer, salesperson or other person has been authorized by the Village or the Underwriter to give any information or to make any representations other than as contained in this Official Statement in connection with the offering it describes, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Village or the Underwriter. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Bonds. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS PRELIMINARY OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY INDICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE DATE OF THIS OFFICIAL STATEMENT.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the fact and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Bonds are qualified in their entirety by reference to the forms thereof included in the Bond Ordinance and the provisions with respect thereto included in the aforesaid documents and agreements.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, state, municipal or other governmental entity, other than the Village, shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY NOT BE DISCONTINUED OR RECOMMENDED AT ANY TIME. THE PRICE AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY NOT BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER SUCH TIME AS THE BONDS ARE RELEASED FOR SALE, AND SUCH BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICE, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes nor representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE” and APPENDIX B” – SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

Village of Franklin Park

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$9,975,000
VILLAGE OF FRANKLIN PARK
COOK COUNTY, ILLINOIS
GENERAL OBLIGATION BONDS
(ALTERNATE REVENUE SOURCE)
SERIES 2011

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices hereto, is to set forth certain information in conjunction with the sale of $9,975,000 General Obligation Bonds (Alternate Revenue Source), Series 2011 (the "*Bonds*") of the Village of Franklin Park, Cook County, Illinois (the *"Village"*). Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety. Copies of statutes, resolutions, reports or other documents referred to herein are available, upon request, from the Village.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued by the Village in denominations of $5,000 or any integral multiple thereof and will be dated the date of delivery and will bear interest from that date and mature on the dates as shown on the inside cover. Interest on the Bonds will be payable semiannually on each January 1 and July 1 (each an "*Interest Payment Date*"), beginning January 1, 2012.

The Bonds will be issued using a book-entry system. The Depository Trust Company ("*DTC*"), New York, New York, will act as securities depository for the Bonds. Principal and interest with respect to the Bonds will be paid by the Tax Escrow Agent (as defined herein), as bond registrar and paying agent for the Bonds (the "*Bond Registrar*") (see "SECURITY FOR THE BONDS – Tax Intercept") to DTC or its nominee, which in turn will remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "DESCRIPTION OF THE BONDS – Book-Entry System" on the following page.

The Bonds are subject to redemption prior to maturity.

Purpose

The Bonds are being issued to provide funds to acquire, rehabilitate and equip a building for use as a police station and for capital improvements including, building repairs and construction, equipment replacement, streets, curb and gutter, sidewalks, storm sewers, water mains and sanitary sewers throughout the Village, and to pay certain costs of issuance of the Bonds.

Authority

The Bonds are being issued pursuant to the provisions of the Illinois Municipal Code, as supplemented and amended, and particularly as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended, and as supplemented and, where necessary, superseded by Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "*1970 Constitution*") and an ordinance passed by the Mayor and Board of Trustees on February 16, 2010 (the "*Bond Ordinance*").

Redemption

Optional Redemption. The Bonds maturing on or after July 1, 2022, are subject to redemption and payment prior to their maturity, at the option of the Village, in whole or in part from any available funds, on any date on or after July 1, 2021, and if in part, in integral multiples of $5,000, in such order of maturity as selected by the Village, and within any maturity selected by lot by the Bond Registrar as hereinafter provided, at the redemption price of par, plus accrued interest to the date of redemption.

Notice of Redemption. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed.

(4) That on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

Prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed at that date.

Mandatory Redemption. The Bonds maturing on July 1, 2030 are subject to mandatory sinking fund redemption in integral multiples of $5,000 selected by the Bond Registrar as provided in the Bond Ordinance, through the application of Sinking Fund Installments, at a Redemption Price equal to the principal amount to be redeemed plus accrued interest to the redemption date, on July 1 of each of the years and in the principal amounts as follows:

July 1	Principal Amount
2022	$540,000
2023	$575,000
2024	$610,000
2025	$650,000
2026	$690,000
2027	$735,000
2028	$780,000
2029	$825,000
2030 Maturity	$880,000

Book-Entry System

The following information has been provided by the Depository Trust Company, New York, New York ("*DTC*"). The Village and the Underwriter make no representation regarding the accuracy or completeness thereof. Each actual purchaser of a Bond (a "*Beneficial Owner*") should therefore confirm the following with DTC or the Participants (as hereinafter defined).

General. DTC will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in "book-entry" form. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each Series of Bonds, each in the initial aggregate principal amount of such maturity, and will be deposited with DTC. Individual purchases will be made in denominations of $5,000 principal amount or integral multiples thereof.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has Standard & Poor's highest Rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC System must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds, unless authorized by a Direct Participant in connection with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Bond Registrar or the Village, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar or the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of the book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered and payments of principal and interest, as they become due and at redemption, shall be paid, and notices of redemption shall be delivered, to the person in whose name the applicable Bond is registered on the fifteenth day of the month next preceding any interest payment date occurring on the first day of any month and the fifteenth day preceding any interest payment date occasioned by a redemption of Bonds on other than the first day of a month (each a "Record Date").

*Use of Certain Terms in Other Sections of this Official Statement***.** In reading this Official Statement is should be understood that, while the Bonds are in the Book-Entry System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds; however, all rights of ownership must be exercised through DTC and the book-entry system.

SECURITY FOR THE BONDS

The Bonds, as herein defined, are payable from (i) all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers' Occupation Tax, the Non-Home Rule Municipal Service Occupation Tax, the Non-Home Rule Municipal Use Tax and the Non-Home Rule Municipal Service Use Tax, each as supplemented and amended, from time to time, or substitute taxes therefore as provided in the future (the "*Pledged Revenues*") and (ii) ad valorem taxes levied against all taxable property in the Village without limitation as to rate or amount (the "*Pledged Taxes*"), all in accordance with Section 15 of the Act, and all except as limited by bankruptcy, insolvency, moratorium, reorganization, and other similar law relating to the enforcement of creditors' rights and subject to the exercise of judicial discretion.

The Bond Ordinance sets forth a complete description for the repayment of the Bonds. Reference should be made to the complete Bond Ordinance for exact details.

Pledged Taxes

For the purpose of providing additional funds for the payment of the Bonds, the Village will levy the Pledged Taxes for each of the years while the Bonds are outstanding, in amounts sufficient for that purpose. For the prompt payment of the Bonds, the full faith, credit and resources of the Village are irrevocably pledged.

The Village covenants and agrees with the purchasers and owners of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Revenues or to levy and collect the Pledged Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided in the Bond Ordinance to pay the principal and interest on the Bonds.

If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of the indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that Bonds have been paid from the Pledged Revenues for a complete fiscal year. Pledged Taxes received by the Cook County Treasurer pursuant to the taxes levied to pay the Bonds will be remitted directly into an account to be used to pay principal of and interest on the Bonds.

Whenever Pledged Revenues are or will be available to pay the principal and interest on the Bonds when due, so as to enable the abatement of the Pledged Taxes levied for the same, the Village shall direct the abatement of the Pledged Taxes by the amount of the Pledged Revenues so available, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

The Village shall not direct the abatement of the Pledged Taxes for any levy year unless Pledged Revenues are on deposit in the Bond Fund in an amount sufficient to pay the principal and interest on the Bonds when due on the next succeeding January 1 and July1.

Tax Intercept

The Tax Escrow Agreement (the "Agreement") for the Bonds is to be executed between the County of Cook, the Village, and the Tax Escrow Agent (defined below), which requires that the taxes for the Bonds, when collected, be deposited by the Cook County Treasurer promptly with the Tax Escrow Agent. All Bond levies received by the Paying Agent shall be collected to the Bond Account, and segregated therein for the payment of the principal of and interest on the Bonds.

Pursuant to the Bond Ordinance, the Village has appointed Amalgamated Bank of Chicago, Chicago, Illinois, as Tax Escrow Agent (the "Tax Escrow Agent") with respect to the Bonds. The levied property taxes will be deposited via ACH Deposit to the Tax Escrow Agent which will make payments of principal and interest on the Bonds from moneys deposited in the Debt Service Account for the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("Holdings"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

AGM's financial strength is rated "AA+" (negative outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "Aa3" (negative outlook) by Moody's Investors Service, Inc. ("Moody's"). An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 25, 2011, S&P published *Bond Insurance Rating Methodology and Assumptions*, a criteria article that follows S&P's *Request for Comment: Bond Insurance Criteria*, published January 24, 2011. The criteria described in the article update and supersede S&P's previous criteria for rating bond insurers. S&P noted that the impact of new bond insurance rating criteria could result in financial strength ratings on investment-grade bond insurers (such as AGM) being lowered by one or more rating categories. The article states that the criteria are effective immediately and that S&P expects any rating changes as a result of the new methodology and assumptions would occur after its review of third quarter 2011 financial statements, but no later than November 30, 2011. However, as noted above, a rating agency may place a company's financial strength rating on credit watch for a downgrade at any time. For the complete text of S&P's comments, both publications are available at www.standardandpoors.com.

AGM and its affiliates are currently reviewing S&P's revised bond insurance rating criteria. The final criteria contain a number of changes from the proposals submitted in January 2011 for comment from market participants, including a new Largest Obligors Test that was not included in the January 2011 *Request for Comment*. This test appears to have the effect of significantly reducing AGM and its affiliates' allowed single risk limits and limiting their financial strength rating level.

On August 8, 2011, S&P published a Research Update in which it affirmed the "AA+" financial strength rating of AGM. At the same time, S&P revised the rating outlook on AGM to negative from stable. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On December 18, 2009, Moody's issued a press release stating that it had affirmed the "Aa3" insurance financial strength rating of AGM, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

There can be no assurance as to any further ratings action that S&P or Moody's may take with respect to AGM.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which was filed by AGL with the Securities and Exchange Commission (the "SEC") on March 1, 2011, AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, which was filed by AGL with the SEC on May 10, 2011, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, which was filed by AGL with the SEC on August 9, 2011.

Capitalization of AGM

At June 30, 2011, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,050,613,849 and its total net unearned premium reserve was approximately $2,254,726,646, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (which was filed by AGL with the SEC on Marc 1, 2011);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (which was filed by AGL with the SEC on May 10, 2011); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 (which was filed by AGL with the SEC on August 9, 2011).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Bonds

Sources

Par Amount of Bonds	$ 9,975,000.00
Premium Paid for Bonds	504,324.10
Total Sources	$10,479,324.10

Uses

Project Fund	$ 9,996,971.60
Costs of Issuance	482,352.50
Total Uses	$10,479,324.10

VILLAGE OF FRANKLIN PARK

The Village is located in western Cook County approximately fifteen miles northwest of downtown Chicago. The Village is bordered on the north by the Village of Schiller Park and Chicago – O'Hare International Airport; on the east by the Village of River Grove and Cook County Forest Preserves; on the south by the Village of Melrose Park, the City of Northlake and portions of unincorporated Leyden Township; and to the west by the Village of Bensenville.

Additional information concerning the Village is presented under "SOCIOECONOMIC INFORMATION" herein.

Village Government

The Village was incorporated on August 4, 1892.

Legislative authority for the Village is vested in the Mayor and six trustees (the "Board of Trustees"). The Mayor and Board of Trustees determine the compensation of all the Village officers and employees, levy taxes, license businesses, appropriate funds, borrow money, and otherwise make all decisions relating to the finances and affairs of the Village. The Mayor is also the Chief Executive Officer of the Village and possesses the power to appoint officers; and to veto ordinances, resolutions and any expenditure. The Village Clerk is the administrative official responsible for daily operations in the Village Hall. The Mayor, Village Clerk and Trustees are elected at large for 4 year-terms.

The Village provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, public improvement, planning and zoning, and general administrative services. Police protection is provided by the Village's police department. Paramedic and fire protection is provided by the Village's fire department. The Village currently employs 131 full-time employees.

The Village owns and operates its water distribution and sanitary sewer collection system. Lake Michigan water is purchased from Chicago, while sanitary sewerage disposal service is provided by the Metropolitan Water Reclamation District of Greater Chicago. School facilities are provided by School District Nos. 81, 83, 84, 84-5 and Community High School District No. 212. The majority of the Village is also served by Triton Community College District No. 504.

Employee Relations

The Village has approximately 131 full-time and 56 part-time employees in 2011, of which approximately 73 or 56% are unionized. The unions and their contract expiration dates are shown below.

Union	Members	Contract Expires
Fraternal Order of Police	39	April 30, 2011*
International Firefighters Local 1526	34	April 30, 2012

* The Village and Fraternal Order of Police are currently in negotiations and are operating under the prior contract.

Source: Village of Franklin Park

SOCIOECONOMIC INFORMATION

Population

The following shows the Village's 1980, 1990, 2000 and 2010 population in comparison with Cook County and the State of Illinois.

	1980	1990	2000	2010	1980-2009 % Change
Village of Franklin Park	17,507	18,458	19,434	18,333	4.72%
Cook County	5,253,655	5,037,362	5,376,741	5,287,037	0.64%
State of Illinois	11,426,518	11,430,602	12,419,293	12,910,409	12.99%

Source: U.S. Department of Commerce, Bureau of the Census

2000 and 2005-2009 U.S. Census Age Distribution

Category	Percent of Population 2000 in Age Category	
	2000	2005-2009*
0-14 Years	21.6%	20.9%
15-19 Years	7.3%	8.2%
20-24 Years	7.5%	6.4%
25-44 Years	30.5%	28.7%
45-64 Years	19.8%	24.3%
65 + Years	13.3%	11.5%
Median Age	33.9 %Years	35.7 % years

* 5 – Year Estimates

Source: U.S. Department of Commerce, Bureau of the Census

Comparative U.S. Census Statistics

U.S. Census statistics of the Village, the County and the State of Illinois are illustrated in the table on the following page:

	2000			2005-2009*		
	Village	County	State	Village	County	State
Median Family Income	$54,433	$53,784	$55,545	$61,997	$64,973	$67,660
Percent of Families Below Poverty Level	5.2%	10.6%	7.8%	7.1%	11.8%	9.1%
Median Home Value (Owner-Occupied)	$143,900	$157,700	$130,800	$246,400	$267,200	$200,400
Percent Specified Home Owner-Occupied	68.7%	57.9%	67.3%	75.6%	60.7%	69.3%

* 2005-2009 5 – Year Estimates

Source: U.S. Department of Commerce, Bureau of the Census

Education Characteristics

The educational background of Village residents as compared to Cook County and the State of Illinois is illustrated in the following table:

Education Levels For Persons 25 Years of Age and Older *

	The Village	**Cook County**	**State of Illinois**
Less than 9th Grade	13.9%	8.4%	6.3%
9th through 12th Grade, No Diploma	12.4	8.9	8.0
High School Graduate	33.4	24.9	28.1
Some College, No Degree	20.5	18.9	20.6
Associate Degree	6.2	6.2	7.2
Bachelor's Degree	9.3	19.8	18.6
Graduate or Professional Degree	4.3	12.9	11.2
Percent High School Graduate or Higher	73.7	82.7	85.7
Percent Bachelors' Degree or Higher	13.6	32.7	29.8

* 2005-2009 5 – Year Estimates

Source: U.S. Department of Commerce, Bureau of the Census

Income *

Occupational Category	**Village of Franklin Park Employed Persons** Number	Percent	**Percent of Total Estimates** Cook County	State of Illinois
Management, Professional and Related Occupations	1,541	17.7%	36.4%	35.1%
Sales and Office Occupations	2,337	26.8%	26.0%	26.1%
Service	1,371	15.7%	16.9%	16.3%
Farming, Forestry and Fishing	3	0.1%	0.1%	0.3%
Construction, Extraction and Maintenance	1,109	12.7%	7.1%	8.0%
Production, Transportation and Material Moving	2,357	27.0%	13.5%	14.2%
TOTAL	8,718	100.0%	100.0%	100.0%

* 2005-2009 5 – Year Estimates

Source: U.S. Department of Commerce, Bureau of the Census

The table below sets forth the household income by category derived from the 2005-2009 5-Year Estimates for the Village compared with the County and the State of Illinois.

Household Income	The Village	Cook County	State of Illinois
Under $10,000	3.9%	8.2%	7.0%
$10,000 to $14,999	6.9	5.2	5.0
$15,000 to $24,999	11.1	10.2	10.1
$25,000 to $34,999	8.9	9.7	9.8
$35,000 to $49,999	14.4	13.3	13.5
$50,000 to $74,999	21.1	18.3	19.1
$75,000 to $99,999	16.2	12.4	13.1
$100,000 to $149,999	13.8	12.8	13.2
$150,000 to $199,999	2.4	4.8	4.6
$200,000 or more	1.3	5.2	4.5
Median Household Income	$57,715	$53,903	$55,222

Source: U.S. Department of Commerce, Bureau of the Census

Housing and Construction

According to the 2005-2009 5-Year Estimates, 75.6% of the Village's occupied housing units were owner-occupied. Market values of specified owner-occupied housing units in the Village were as follows:

Value of Specified Owner-Occupied Units	The Village	Cook County	State of Illinois
Under $50,000	2.3%	2.2%	6.6%
$50,000 to $99,999	1.4	4.5	14.2
$100,000 to $149,999	4.4	9.5	14.1
$150,000 to $199,999	18.0	14.6	14.9
$200,000 to $299,999	52.4	26.4	21.3
$300,000 to $499,999	20.1	28.2	19.5
$500,000 or more	1.4	14.5	9.3

Source: U.S. Department of Commerce, Bureau of the Census

Employment

Principal employers in and around the Village are as follows:

COMPANY	BUSINESS	EMPLOYMENT
Hill Mechanical Group	Plumbing, Piping & Refrigeration Contractors	900
Canadian Pacific	Railroad Yard & Repair	800
Sloan Valve Co.	Flush Valves, Faucets, Shower Heads and Hand Dryers	750
Nestle USA Confections & Snacks Div.	Candy and Confectionary	750
UPS	Courier Service	600
Fresh Express Corp.	Vegetable Processing	557
Transilwrap Co., Inc.	Plastic Extrusion Coating & Laminating Film	550
Bretford, Inc.	Office Furniture	500
DHL Global Forwarding	International Freight Consolidation	450
Life Fitness, Inc.	Fitness Equipment	450
RCM Industries, Inc.	Aluminum Die Castings	400
A.M. Castle & Co.	Metals Service Center	400
Albertsons	Jewel Grocery Stores	300
US Smokeless Tobacco Mfg., Co.	Smokeless Tobacco	261
Precision Steel Warehouse, Inc.	Steel Warehouse Processing	230
Cassidy Bros., Inc.	Wall & Ceiling Contractor	200
DHL – Airborne Freight Corp.	Air Freight Transportation	200
SE-Kure Controls, Inc.	Security Alarms	200
S.J. Paluch Co., Inc.	Catholic Devotional Booklet & Bulletin Publishing	200
Rubicon Technology	Sapphire Crystals	150
Pactiv Corp.	Plastics & Rigid Display Containers	140
Chicago Hardware & Fixture Co.	Industrial Hardware	135
Sonoco Clearpak	Plastic Packaging	130
Metal Box International, Inc.	Sheet Metal Cabinets & Boxes	120
Prairie State Graphics, Inc.	Label Printing	120
Cortina Tool & Molding	Plastic Injection Molding & Molded Parts	115
Graph Pak	Folding Cartons and Paperboard Packaging	115
Rixson	Door Closing Devices & Fire Safety Products	110
Belmont Plating Works, Inc.	Metal Plating	100
Brunner & Lay, Inc.	Tools & Drilling Accessories	100
Conway Import Co., Inc.	Salad Dressing, Sauce & Mayonnaise	100
Elite Laundry Services of Chicago, Inc.	Commercial Laundry	100
Elkind Tool Co.	Hand Tools	100
Everflora Chicago, Inc.	Flower Wholesaler	100
Excell Kaiser, LLC	Metal Waste Cans, Luggage Racks & Carts, Bar & Food Service Accessories	100
Foodliner, Inc.	Interstate Trucking	100
Nelsen Steel Co.	Steel Bars & Special Shapes	100
Northwest Ford & Sterling Truck Center	Truck Sales & Service	100
Partec, Inc.	Electromechanical Assemblies & Wiring Harnesses	100

Source: 2010 Illinois Manufactures Directory and 2011 Illinois Services Directory

Unemployment Rates

Year	The Village	Cook County	State Of Illinois	United States
2000	4.0%	4.8%	4.5%	4.0%
2001	4.9	6.1	5.4	4.7
2002	6.1	7.4	6.5	5.8
2003	6.2	7.4	6.7	6.0
2004	5.7	6.7	6.2	5.5
2005	5.5	6.4	5.7	5.1
2006	4.1	4.7	4.5	4.6
2007	4.6	5.1	5.0	4.6
2008	5.8	6.5	6.5	5.8
2009	9.4	10.3	10.1	9.3
2010	9.6	10.5	10.3	9.6
July, 2010	NA[1]	10.8	10.5	9.7
July, 2011*	NA[1]	11.0	10.0	9.3

*Preliminary

Source: State of Illinois Department of Employment Security

[1] Only annual averages are available for communities with less than 25,000 residents.

DEBT INFORMATION

Direct and Overlapping Bonded Debt

The following table sets forth direct and overlapping general obligation debt applicable to the Village as of September 1, 2011, with adjustments for the Bonds. Revenue debt is excluded.

Direct Debt	Total Outstanding	Percent Applicable to Village	Total Direct and Overlapping Debt Outstanding
The Bonds	$9,975,000	100.00%	$ 9,975,000
Bonds Outstanding	41,650,000	100.00%	41,650,000
Total Direct Debt			$51,625,000
Overlapping Debt			
Cook County (1)	$3,080,770,000	0.51%	$ 15,711,927
Cook County Forest Preserve	108,665,000	0.51%	554,192
Metropolitan Water Reclamation District of Greater Chicago	1,964,289,000	0.52%	10,214,303
School District No. 81	26,781,431	8.44%	2,260,353
School District No. 83	32,930,000	47.07%	15,500,151
School District No. 84	9,329,859	91.84%	8,568,543
School District No. 84-5	5,005,000	7.06%	353,353
High School District No. 212	15,767,742	34.02%	5,364,186
Park District of Franklin Park	885,000	98.90%	875,265
Bensenville Park District	6,677,190	3.18%	212,335
Veterans Park District	5,145,000	14.55%	748,598
Leyden Fire Protection District	624,375	6.43%	40,147
Northlake Public Library District	7,950,000	1.45%	115,275
Total Overlapping Bonded Debt			$ 60,518,628
Total Direct and Overlapping Debt			$112,143,628

(1) Does not include Chicago Public Building Commission Bonds.

Statement of Indebtedness

(As of September 1, 2011)

	Amount	Percent of 2009 EAV	Percent of Fair Value	Per Capita (1)
2009 Equalized Assessed Valuation	$ 915,088,546	100.00%	33.33%	$ 49,915
Estimated True Value	$2,745,265,638	300.00%	100.00%	$149,744
Direct Debt	$ 51,625,000	5.64%	1.88%	$ 2,816
Overlapping Debt	$ 60,518,628	6.61%	2.20%	$ 3,301
Direct Debt Total	$ 112,143,628	12.25%	4.08%	$ 6,117

(1) Based on the 2010 Census population of 18,333.

Debt Limit

The Village has a debt limitation equal to 8.625% of its most recent equalized assessed valuation of $915,088,546. The Village's debt-incurring capacity, after the issuance of the Bonds is as follows:

2009 Estimated True Valuation	$2,745,265,638
2009 Equalized Assessed Valuation	$ 915,088,546
Debt Limitation Percentage	x 8.625%
Current Debt Limitation	$ 78,926,387
The Bonds	$ 9,975,000
Outstanding General Obligation Bonds	80,000
Outstanding Alternate Bonds	41,570,000
Total Direct Debt	51,625,000
Less Debt Not Subject to Debt Limitation (1)	51,545,000
Total Subject to Debt Limitation	$ 80,000
Debt Margin	$ 78,846,387

(1) The Alternate Bonds are excluded from statutory limits on indebtedness.

Debt Structure

The table that follows presents information as to the retirement of the Village's outstanding general obligation bonded debt.

Levy Year	Payment Year	Bonds Outstanding	Series 2011	Total	Percent Retired Annual	Percent Retired Cumulative
2010	2011	1,610,000*	-----	1,610,000	1,610,000	3.05%
2011	2012	1,765,000	-----	1,765,000	3,375,000	6.40%
2012	2013	1,795,000	405,000	2,200,000	5,575,000	10.56%
2013	2014	1,875,000	425,000	2,300,000	7,875,000	14.92%
2014	2015	2,050,000	440,000	2,490,000	10,365,000	19.64%
2015	2016	2,185,000	455,000	2,640,000	13,005,000	24.64%
2016	2017	2,290,000	470,000	2,760,000	15,765,000	29.87%
2017	2018	2,490,000	475,000	2,965,000	18,730,000	35.49%
2018	2019	2,645,000	500,000	3,145,000	21,875,000	41.45%
2019	2020	2,770,000	520,000	3,290,000	25,165,000	47.68%
2020	2021	3,005,000	540,000	3,545,000	28,710,000	54.40%
2021	2022	2,365,000	575,000	2,940,000	31,650,000	59.97%
2022	2023	1,400,000	610,000	2,010,000	33,660,000	63.78%
2023	2024	1,470,000	650,000	2,120,000	35,780,000	67.80%
2024	2025	1,070,000	690,000	1,760,000	37,540,000	71.13%
2025	2026	1,110,000	735,000	1,845,000	39,385,000	74.63%
2026	2027	1,160,000	780,000	1,940,000	41,325,000	78.30%
2027	2028	1,205,000	825,000	2,030,000	43,355,000	82.15%
2028	2029	1,255,000	880,000	2,135,000	45,490,000	86.20%
2029	2030	1,310,000	-----	1,310,000	46,800,000	88.68%
2030	2031	1,385,000	-----	1,385,000	48,185,000	91.30%
2031	2032	1,455,000	-----	1,455,000	49,640,000	94.06%
2032	2033	1,530,000	-----	1,530,000	51,170,000	96.96%
2033	2034	1,605,000	-----	1,605,000	52,775,000	100.00%

*Includes $1,150,000 that matured on July 1, 2011.

PROPERTY TAX INFORMATION

Assessment

The County Assessor (the "*County Assessor*") is responsible for the assessment of all taxable real property within Cook County (the "*County*"), including taxable real property in the Village, except for certain railroad property and pollution control facilities which are assessed directly by the Illinois Department of Revenue (the "*Department of Revenue*"). For triennial reassessment purposes, the County is divided into three sections: west and south suburbs, north and northwest suburbs, and the City of Chicago. The Village is located in the northwest suburbs and is being reassessed for the tax levy year 2010 (taxes collected in calendar year 2011).

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. The current classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, commercial, industrial) and whether it qualified for certain incentives for reduced rates.

The County Board of Commissioners has adopted various amendments to the County's Real Property Assessment Classification Ordinance (the "*Classification Ordinance*"), pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications and created new property classifications.

The Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment by filing a complaint with the Cook County Board of Review (the "*Board of Review*"). The Board of Review consists of three commissioners, each elected by an election district in the County. The Board of Review is empowered to review and adjust Assessed Valuations set by the Assessor.

Owners of property are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "*PTAB*"), a state-wide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Depending on the amount of the proposed change in Assessed Valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of recent PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determine that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below what which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The County believes that the impact of any such case on the County would be minimal, as the County's ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Valuation, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

All reviews of assessments, whether before the Board of Review, the PTAB or the courts, are decided on a case-by-case basis.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or the PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "*Equalization Factor*"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in Illinois. Under Illinois law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for some farmland property which is not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or the PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "*Equalized Assessed Valuation*" or "*EAV*") of that parcel. The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "*Assessment Base*"). The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

2000	2.2235	2005	2.7320
2001	2.3098	2006	2.7076
2002	2.4689	2007	2.8439
2003	2.4598	2008	2.9786
2004	2.5757	2009	3.3701

Source: Cook County Clerk's Office.

Tax bills in Cook County are based on the Assessment Based for the preceding year. Property taxes billed in 2010 (for the 2009 tax year) were based on the 2009 Equalized Assessed Valuation.

Exemptions

The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Illinois Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the Equalized Assessed Valuation ("EAV") of certain property owned and used exclusively for residential purposes by the amount of the increase over the 1977 EAV, up to a maximum reduction of $5,000. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by $3,000. An additional exemption is available for homes owned and exclusively used for residential purposes by disabled veterans for their spouses, for whom the Assessor is authorized to annually exempt up to $58,000 of the Assessed Valuation. An exemption is available for homestead improvements by an owner of a single family residence of up to $75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is $45,000 or less, and who are either the owner of record or have a legal or equitable interest in the property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called "freeze" and each year thereafter in which the qualifying criteria are maintained.

On July 12, 2004, the Property Tax Code was amended to permit each county in the State, be enacting an ordinance within six (6) months of the effective date of the law, to limit future increases in the taxable value of residential property in such a county to an annual increase of not more than 7% per year. This is known as the Alternative Homestead Exemption. Upon adoption of such an ordinance, homestead property will generally be entitled to an annual homestead exemption equal to the difference between the property's EAV and the property's "adjusted homestead value." The County adopted an ordinance electing to be governed by this law. The exemption provided for under this law cannot exceed $20,000 in any taxable year. The purpose of the law is to reduce the increase in the taxable value of residential property that otherwise occurs when home values rise rapidly.

In 2007, the Alternative Homestead Exemption law enacted in 2004 was allowed to sunset. Later in 2007, Public Act 95-0644 was enacted, which extends the Alternative Homestead Exemption law for an additional three years, subject to certain provisions and adjustments to the prior law. Pursuant to Public Act 95-0644, the maximum exemption will be $33,000 in EAV in the first year, decreasing to $26,000 in the second year, and $20,000 in EAV in a the third or final year. In the County, this increased exemption will be "phased in" over a three-year period: 2006 through 2008 in the Village, 2007 through 2009 in the northern and northwestern portions of the County, and 2008 through 2010 in the western and southern portions of the County. Notwithstanding the above, in the County for taxable year 2006 only, the maximum exemption otherwise allowable may be increased by (a) $7,000 if the equalized assessed value of the property exceeds the property's EAV in 2002 by more than 80% but less than 100%. Upon the expiration of the extension of the Alternative Homestead Exemption law authorized by Public Act 95-0644, the above-described general homestead exemption will apply.

In October 2004, the Chicagoland Chamber of Commerce, along with multiple other plaintiffs, filed a Complaint for Declaratory and Injunctive Relief in the Circuit Court, requesting the court to enter an order declaring the 2004 Alternative Homestead Exemption law unconstitutional and enjoining the application and enforcement of its provisions. (The Chicagoland Chamber of commerce, et.al. v. Maria Pappas, et.al. 04 CH 16874). On April 22, 2005, the circuit court dismissed the complaint, and that ruling was appealed. On appeal, the Appellate Court affirmed the decision of the Circuit Court.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable, and educational organizations, as well as units of federal, state and local governments.

Additionally, counties have been authorized to create special property tax exemptions in long-established residential areas or in areas of deteriorated, vacant or abandoned homes and properties. Under such an exemption, long-time, residential owner-occupants in eligible areas would be entitled to deferral or exemption from the portion of property taxes resulting from an increase in market value because of refurbishment or renovation of other residence or construction of new residences in the area. On June 5, 2001, the County enacted the Longtime Homeowner Ordinance, which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption. This is generally applicable to homeowners; (i) who have resided in their homes for 10 consecutive years (or five consecutive years for homeowners who have received assistance in the acquisition of the property as part of a government or nonprofit housing program), (ii) whose annual household income for the year of the homeowner's triennial assessment does not exceed 115 percent of the Chicago Primary Metropolitan Statistical Area median income as defined by the United States Department of Housing and Urban Development, (iii) whose property has increased in assessed value to a level exceeding 150 percent of the current average assessed value for properties in the assessment district where the property is located, and (IV) who, for any triennial assessment cycle, did not cause a substantial improvement which resulted in an increase in the property's fair cash value in excess of the $45,000 allowance set forth in the Property Tax Code.

Tax Levy

As part of the annual budgetary process of governmental units (the "*Units*") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which they determine to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the Cook County Clerk (the "*County Clerk*") and the Cook County Treasurer (the "*County Treasurer*"). After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk uses the prior year's Equalized Assessed Valuation to compute the taxing district's maximum allowable levy. The maximum that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year EAV for all property currently in the Village. The prior year EAV includes the prior year EAV plus the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year EAV.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel for the current tax year) in the books (the "*Warrant Books*") prepared for the County Collector (the "*County Collector*") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Truth in Taxation Law, contained within the Property Tax Code, imposes procedural limitations on a Unit's real estate taxing powers and requires that notice in prescribed form must be published if the aggregate annual levy is estimated to exceed 105 percent of the levy of the proceeding year, exclusive of levies for debt service, levies made for the purpose of paying amounts due under public building commission leases and election costs. A public hearing must be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105 percent of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures. As of the date of this Official Statement, the Village is in compliance with the Truth in Taxation Law. The provisions of the Truth in Taxation Law would not serve to limit or restrict in any way the collection of the Debt Service Taxes for the payment of debt service on the Bonds.

Collection

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to one-half of the prior year's tax bill. However, if a certificate of error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors.

The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an annual tax sale (the "*Annual Tax Sale*") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 18% for each six month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The scavenger sale (the "*Scavenger Sale*"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is scheduled to be held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

Composition of Equalized Assessed Valuation for the Village

	2004	2005	2006	2007	2008	2009
Residential	$296,595,376	$314,843,943	$315,879,648	$ 427,541,232	$ 447,934,456	$ 436,198,363
Commercial	88,468,291	90,222,991	86,034,695	104,560,691	106,741,652	86,306,090
Industrial	516,025,434	541,918,164	521,319,819	594,806,248	618,567,847	535,858,395
Railroad	6,481,108	5,903,783	5,926,855	6,089,446	7,306,346	8,310,913
TOTAL	$907,570,209	$952,888,881	929,161,017	$1,132,997,617	$1,180,550,301	$1,066,673,761
Less: Tax Increment (TIF)	(24,845,815)	(30,210,821)	(26,602,298)	(36,202,017)	(41,707,214)	(29,620,865)
Less: Exemptions	(87,570,068)	(91,596,362)	(82,157,971)	(153,881,081)	(142,433,124)	(121,964,350)
Equalized Assessed Valuation for Taxation	$795,154,326	$831,081,698	820,400,748	$942,914,519	$ 996,409,963	$ 915,088,546
Percent Increase (Decrease)	11.63%	4.52%	(1.29%)	14.93%	5.67%	(8.16%)

Source: Office of the County Clerk, Cook County, Illinois. Amounts are summarized by levy year. Taxes are collected in the next calendar year.

Village Tax Extensions and Collections

			Total Collections (as of August 31, 2011)	
Levy Year	**Collection Year**	**Taxes Extended**	**Amount**	**Percent**
2009	2010	$12,023,495	$11,931,576	99.24%
2008	2009	$8,971,224	$9,018,612	100.53%
2007	2008	$8,328,740	$8,332,831	100.05%
2006	2007	$8,772,199	$8,874,092	101.16%
2005	2006	$8,200,239	$8,291,852	101.12%

Source: Office of the Treasurer, Cook County, Illinois

Tax Rates Per $100 of Equalized Assessed Valuation

Village of Franklin Park	**2005**	**2006**	**2007**	**2008**	**2009**
Corporate	$0.3442	$0.3338	$0.2859	$0.2922	$0.3827
Bond and Interest	0.0106	0.0111	0.0093	0.0091	0.3945
Garbage	0.1390	0.1253	0.1089	0.1219	-----
Police Pension	0.1101	0.0924	0.0905	0.0880	0.1268
Fire Pension	0.1286	0.1073	0.0921	0.0893	0.1268
IMRF	0.0055	0.0072	0.0199	0.0176	-----
Street & Bridge	0.0761	0.0763	0.0653	0.0667	0.0960
Fire Protection	0.0580	0.1437	0.1118	0.1133	0.1631
Police Protection	0.0580	0.1437	0.1118	0.1133	0.1631
Civil Defense	0.0007	0.0006	0.0005	0.0005	-----
Social Security	0.0409	0.0343	0.0201	0.0183	-----
Auditing	0.0061	0.0043	0.0053	0.0056	-----
Liability Insurance	0.1314	0.1102	0.1008	0.0880	0.1266
Street Lighting	0.0392	0.0273	0.0308	0.0351	-----
Crossing Guards	0.0080	0.0076	0.0057	0.0063	-----
Working Cash Funds	0.0028	0.0029	0.0325	0.0156	-----
CBOE Medicare	-----	-----	0.0118	0.0137	-----
Total	$1.160	$1.228	$1.103	$1.095	$1.582
Cook County (including Forest Preserve District)	$0.593	$0.557	$0.499	$0.466	$0.443
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261
School District No. 83	2.982	3.529	3.142	3.159	3.481
High School District No. 212	2.004	2.093	1.868	1.869	1.989
Community College District No. 504	0.233	0.240	0.224	0.212	0.214
Suburban TB Sanitarium	0.005	0.005	0.000	0.000	0.000
Leyden Township	0.074	0.077	0.068	0.067	0.071
General Assistance – Leyden Township	0.004	0.004	0.003	0.003	0.003
Road and Bridge – Leyden Township	0.107	0.111	0.098	0.097	0.102
Franklin Park Public Library District	0.165	0.175	0.152	0.152	0.167
Park District of Franklin Park	0.407	0.423	0.377	0.373	0.403
Consolidated Elections	0.014	0.000	0.012	0.000	0.021
Total Tax Rate	$8.063	$8.726	$7.809	$7.745	$8.737

Source: Office of the County Clerk, Cook County, Illinois
Tax rates are all based on dollars per $100 of equalized assessment valuation.

Largest Taxpayers within the Village

Taxpayer Name	**2009 Assessed Value**	**2009 Equalized Assessed Valuation**	**Percentage of Total EAV**
Albertson's	$7,417,493	$24,997,693	2.73%
Centerpoint Properties	$7,293,961	$24,581,378	2.69%
Realty Assoc. Fund VIII	$4,386,102	$14,781,602	1.62%
Franklin Partners	$3,776,171	$12,726,074	1.39%
United States Tobacco	$3,193,495	$10,762,398	1.18%
Entropy Consortium LLC	$2,431,037	$ 8,192,838	0.90%
A.M. Castle & Co.	$2,409,808	$ 8,121,294	0.89%
CBRE	$2,311,779	$ 7,790,926	0.85%
Nestle USA	$2,256,925	$ 7,606,063	0.83%
Central Grocers	$2,198,214	$7,408,201	0.81%
Percent of Village's Total Equalized Assessed Valuation:			13.89%

Source: Office of the Treasurer, Cook County, Illinois.

RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

Village employees are covered by the Illinois Municipal Retirement Fund (*"IMRF"*). As of December 31, 2010, the latest date for which figures are available, the total pension benefit obligation to be made by the Village on behalf of its employees was $7,060,024. Of this amount, the Village had net assets available for benefits of $4,673,833. As a result, the Village has underfunded its pension obligation by $2,386,191.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Asset (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
12/31/10	4,673,833	7,060,024	2,386,191	66.20	3,026,668	78.84%
12/31/09	7,679,559	9,345,809	1,666,250	82.17	3,219,952	51.75%
12/31/08	7,583,533	9,303,361	1,719,828	81.51	3,267,804	52.63%

On a market value basis, the actuarial value of assets as of December 31, 2010 is $5,359,738. On a market basis, the funded ratio would be 75.92%.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Village are described below.

Basis of Presentation – Fund Accounting

The accounting system of the Village is operated and maintained on a fund accounting basis. A fund is defined as an independent accounting entity, with a self-balancing set of accounts recording all assets, liabilities, reserves and equities, which are segregated for the purpose of carrying on specific activities or attaining objectives in accordance with special restrictions, regulations, and limitations. Funds are organized as major fund or non-major funds within the following categories: governmental, proprietary and fiduciary.

Major Governmental Fund Types

General Fund

To account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

To account for the specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

To account for the financial resources to be used for the acquisition or construction of major capital equipment and projects.

Proprietary Fund Types

Water and Sewer Fund

Fund is operated as an enterprise fund and accounts for the water and sewer services provided to the residents of the Village.

Fiduciary Fund Types

Pension Trust Funds

To account for the Firefighter's Pension Fund and the Police Pension Fund.

Measurement Focus / Basis of Accounting

Governmental Fund Types

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increase (revenues) and decreased (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund and expendable trust financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Property taxes, gross receipts, and sales taxes are considered "measurable" when they are in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred.

All proprietary funds and Private Purpose Trust and Pension Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Water and Sewer Fund utility service receivables are recorded at year end.

SUMMARY OF OPERATING RESULTS

Operating results for the past three fiscal years are summarized below. The general purpose financial statements for fiscal year ending April 30, 2010 are included in Appendix B. This presentation is a summary only, and does not purport to be the complete audits. Copies of other years are available upon request.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Government Fund Types

(Years ended April 30)

	2008	2009	2010
Total Revenues	$28,388,616	$31,127,007	$28,742,653
Total Expenditures	$27,723,371	39,892,931	29,606,832
Excess (Deficiency) of Revenues over Expenditures	665,245	(8,765,924)	(864,179)
Other Financing Sources (Uses)	6,300,682	(569,940)	508,297
Special Item – Purchase of Property	(5,537,015)	-0-	-0-
Fund Balance, Beginning of Year	12,579,118	12,956,214	4,337,337[1]
Fund Balance, End of Year	$14,008,030	$ 3,620,350	$ 3,981,455

[1] The General Corporate Fund balance as of May 1, 2009 was restated reflecting certain insurance funds ($716,987) identified by management that were still titled in the Village's name that had been expensed in prior years. These funds were recorded as an asset not previously reported.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The Internal Revenue Code of 1986, as amended (the "*Code*") includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the *"Issue Price"*) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of the Bonds who dispose of the Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase the Bonds in the initial public offering, but at a price different from the Issue Price or purchase the Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village has designated the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, which affords banks and thrift institutions purchasing the Bonds more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of such Code for taxable years of such institutions ending after December 31, 1986.

UNDERWRITING

George K. Baum & Company (the "*Underwriter*") has agreed to purchase the Bonds at an aggregate purchase price of $10,322,134.24 pursuant to a Bond Purchase Agreement between the Village and the Underwriter reflecting an original issue premium of $504,324.10 and an Underwriter's discount of $157,189.86. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions, but the Underwriter is obligated to purchase all of the Bonds if it purchases any of the Bonds.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public, and may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Underwriter.

RATINGS

Standard & Poor's Ratings Service, a Division of McGraw-Hill Companies, Ind. ("Rating Agency") has assigned the Bonds a rating of "AA+" (negative outlook). The rating is conditioned upon the delivery by Insurer of its Insurance Policy. The Bonds have also received a rating of "BBB" by the Rating Agency based on the creditworthiness of the Village and without regard to bond insurance. Such ratings reflect only the view of the Rating Agency at the time such ratings were issued and any explanation of the significance of such ratings may be obtained from the Rating Agency at the following address: Standard & Poor's, 55 Water St., New York, NY 10041. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings can be expected to have an adverse effect on the market price of the Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Louis F. Cainkar, Ltd., Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement. Certain legal matters will be passed upon for the Village by its counsel, Odelson & Sterk, Ltd., Evergreen Park, Illinois. Certain legal matters will be passed upon for the Underwriter by its counsel, Burke Burns & Pinelli, Ltd., Chicago , Illinois.

NO LITIGATION CERTIFICATE

Upon the delivery of the Bonds, the Village shall furnish a certificate, in form satisfactory to Bond Counsel and the Underwriter, to the effect that, among other things, there is no litigation now pending in any court to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds or the pledge of the Village's full faith, credit and taxing power for their payment.

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to requirements of Section (b)(5) of Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934. No person, other than the Village, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth below under "THE UNDERTAKING."

There have been no instances in the previous five years in which the Village failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Village to comply with the Undertaking will not constitute an event of default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "THE UNDERTAKING"—Consequences of Failure of the Village to Provide Information." The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the Village's fiscal year (currently on April 30). If Audited Financial Statements are not available when the Annual Financial Information is filed, the Village will file unaudited financial statements. The Village will submit Audited Financial Statements to MSRB's Electronic Municipal Market Access ("EMMA") system within 30 days after availability to the Village. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means the Audited Financial Statements described below and the statistical information under the following captions:

> "DEBT INFORMATION – STATISTICAL INFORMATION – Direct and Overlapping Bonded Debt;"
> "PROPERTY TAX INFORMATION – STATISTICAL INFORMATION – Composition of Equalized Assessed Valuation for the Village;" and
> "PROPERTY TAX INFORMATION – STATISTICAL INFORMATION – Village Tax Extensions and Collections."

"Audited Financial Statements" means the financial statements of the Village as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles ("*GAAP*") as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of State law).

Reportable Events Disclosure

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Reportable Events" are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasance
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed an Event of Default under the Bond Ordinance and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted;

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with to requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Village (such as the Bond Counsel).

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bond under the Bond Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

AUTHORIZATION OF OFFICIAL STATEMENT

At the time of delivery of the Bonds, the Village will furnish a certificate executed by the Mayor stating that to the best of his knowledge, this Official Statement as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein, in the light of the circumstances under which they are made, not misleading.

The Official Statement has been duly executed and delivered by the following officers on behalf of the Village.

/s/ Barrett F. Pedersen
Mayor

APPENDIX A

FORM OF BOND COUNSEL OPINION

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Vincent Cainkar
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September 22, 2011

We hereby certify that we have examined a certified copy of the proceedings (the "Proceedings") of the Village President and Board of Trustees of the Village of Franklin Park (the "Village"), passed preliminary to the issue by said Village of its fully registered General Obligation Bonds (Alternate Revenue Source), Series 2011, to the amount of $9,975,000, dated September 22, 2011, (the "Bonds") due and payable serially in the amounts and bearing interest at the rates per annum as follows:

Dates of Maturity	Principal Amount	Interest Rate
7/01/2014	$405,000	4.000%
7/01/2015	$425,000	4.000%
7/01/2016	$440,000	3.000%
7/01/2017	$455,000	3.000%
7/01/2018	$470,000	3.375%
7/01/2019	$475,000	3.750%
7/01/2020	$500,000	4.000%
7/01/2021	$520,000	4.000%
7/01/2030	$6,285,000	6.250%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

The Bonds due on and after July 1, 2022 are subject to redemption prior to maturity on July 1, 2021, or on any date thereafter, in whole or in part, at par plus accrued interest.

We further certify that we have examined the form of bond prescribed for said issue, and find the same in due form in law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate and amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The Bonds are also payable from and secured by a pledge of income derived from user fees from recreational facilities and all collections distributed to the Village from those taxes imposed by

the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailers Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future. The Bonds are valid and binding "alternate bonds" within the meaning of the Local Government Debt Reform Act.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986 (the "Code"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Village has properly designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information, including the Official Statement, furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts solely within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

LOUIS F. CAINKAR, LTD.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

APPENDIX C

AUDITED FINANCIAL STATEMENTS

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VILLAGE OF FRANKLIN PARK, ILLINOIS

ANNUAL FINANCIAL REPORT
Year Ended April 30, 2010

VILLAGE OF FRANKLIN PARK, ILLINOIS

Year Ended April 30, 2010

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Year Ended April 30, 2010

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Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois, (Village), as of and for the year ended April 30, 2010 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represents 100 percent and 100 percent, respectively, of the assets and revenues of the Pension Trust Funds for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund and the Firefighters' Pension Fund is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note 14 that were applied to restate the net assets and fund balances recorded at beginning of the year. In our opinion, such adjustments are appropriate and have been properly applied.

The schedule of funding progress, schedule of employer contributions, and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information, including the combining and individual fund financial statements and schedules as of and for the year ended April 30, 2010, as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2011

As management of the Village of Franklin Park ("Village"), we offer readers of the Village's financial statements this Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2010. As the MD&A is designed to focus on that year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. Comparative analysis with respect to the prior fiscal year is provided so that the reader may better discern the Village's financial dynamics.

FINANCIAL HIGHLIGHTS

The reader will notice that the accompanying audited financial statements for the fiscal year ending April 30, 2010 are dated some 14 months after the close of that year. Similarly, the village's FY 2009 statements were issued some 22 months after the end of that fiscal year. Thus, the village has issued two years' audited financial statements in a three month period, and is now and will remain current in its financial reporting.

The reason for these delays had to do with a combination of computer problems, poor record keeping and a general inattentiveness to the reporting function by prior village personnel. These latter two points are further evidenced by the fact that the last audit to be completed in a timely manner (i.e., within six months after the close of the fiscal year) was for FY 2003. This has changed.

Since assuming office in May of 2009, the new administration has been committed to (1) ascertaining the exact dimensions of the village's financial condition, (2) objectively reporting that condition to residents, vendors, investors and others with an interest in village finances and (3) remedying past practices and their deleterious effects on the village's financial health. The completion of the FY 2009 audit in March of this year enabled the achievement of the first two goals and constituted the initial step in achieving the third. The completion of the FY 2010 audit furthers these efforts.

Having taken office virtually at the close of FY 2009, the new administration had been operating under significant financial uncertainty until the completion of the FY 2009 audit, which afforded the first reliable insight into village finances. It also provided the information base necessary to begin rebuilding the village's financial health.

Aside from the lack of reliable financial data and all that that implies, two critical signs of financial distress were readily apparent and in need of immediate attention: a significantly negative general fund balance and a severe cash flow problem. The former was the result of a precipitous $21.7 million spend down of reserves that had stood at $16.3 million at the end of FY 1999. The latter was largely a result of this lack of reserves.

Among the more noteworthy changes to emerge from the FY 2010 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities declined from FY 2009 levels by $6.5 million while liabilities increased by $946 thousand, resulting in a decrease in net assets of $7.4 million. Revenues supporting governmental activities declined by $2.9 million from FY 2009, while expenditures declined by $7.8 million

- Assets employed in business-type activities increased by $791 thousand as liabilities increased $2.2 million. As a result, net business-type assets declined by $1.4 million. Business-type activity revenues declined by $1.3 million and expenditures declined by $1.1 million.

- Total Village assets decreased by $5.7 million from FY 2009, total liabilities increased by $3.3 million and resulting total net assets declined by $8.8 million. Total Village revenue decreased by $4.2 million and total Village expenditures declined by $8.8 million.

These changes are discussed further below. Meanwhile, at the fund level:

- Total governmental fund revenues slipped by $2.6 million from FY 2009 levels and governmental fund expenditures declined by $10.3 million.

- General fund revenues slipped by $1.5 million from FY 2009 levels while expenditures declined by $1.1 million. Largely as a result, general fund balance decreased by $84 thousand.

- Proprietary fund operating revenues slipped by $780 thousand from FY 2009 while operating expenses declined by $1.0 million. Village proprietary funds showed a net loss of $1.4 million, or slightly more than the $1.2 million of FY 2009.

These changes are described in more detail further below.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Governmental Activities reflect the Village's basic services, including administration, public safety and highways and streets. Property taxes, shared state taxes and local utility taxes finance the majority of these services. Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial

statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the working cash fund, both of which are considered to be major funds. Information from the Village's 21 other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains three proprietary, or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sanitary sewer and parking lot operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water fund and the sanitary sewer and parking lot funds, all of which are considered to be major funds of the Village, with the exception of the commuter parking lot fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS
The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

OTHER INFORMATION
In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS
The following table presents the condensed Statement of Net Assets (in millions) at April 30, 2010, with comparisons to April 30, 2009. This table takes into the consideration the prior period adjustment described in detail on Note 14 in the Notes to Financial Statements:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY10	FY09	FY10	FY09	FY10	FY09
Assets:						
Current assets	$ 25.6	$ 27.1	$ 2.6	$ 3.5	$ 28.2	$ 30.6
Non-current, non-capital assets	1.5	1.5	0.2	0.2	1.7	1.7
Capital assets	43.5	48.5	38.6	36.9	82.1	85.4
Total assets	$ 70.6	$ 77.1	$ 41.4	$ 40.6	$ 112.0	$ 117.7
Liabilities:						
Current liabilities	$ 22.3	$ 23.3	$ 6.3	$ 2.9	$ 28.6	$ 26.2
Long-term liabilities	33.8	31.9	23.0	24.2	56.8	56.1
Total liabilities	$ 56.1	$ 55.2	$ 29.3	$ 27.1	$ 85.4	$ 82.1
Net assets:						
Invested in capital assets, net,	$ 15.1	$ 19.6	$ 15.2	$ 12.4	$ 30.3	$ 32.0
Restricted	7.8	7.7	0.0	0.0	7.8	7.7
Unrestricted	(8.4)	(5.4)	(3.1)	1.1	(11.5)	(4.3)
Total net assets	$ 14.5	$ 21.9	$ 12.1	$ 13.5	$ 26.6	$ 35.4

Assets employed in governmental activities declined by $6.5 million largely due to a combination of a decrease of $5.0 million in the value of capital assets (mostly in depreciation expense), and a $1.2 million decrease in property tax receivables attributable to higher collection rates. Liabilities increased by $946 thousand, largely on the retirement of $470 thousand of bonds and an increase for OPEB liabilities. As a result, net governmental activity assets declined by $7.4 million.

Assets deployed in the service of business-type activities increased by $791 thousand as a $2.3 million decrease in cash and investments was offset by a $1.7 million increase in capital assets and a $1.2 million increase in internal balances. Business-type liabilities increased $2.2 million, largely on the inclusion of a cash overdraft liability (essentially an internally-financed deficit) of $2.5 million. Additionally, accounts receivable increased $231 thousand. These increases were largely offset by a decrease in non-current liabilities of $1.3 million. Overall, net business-type assets decreased by $1.4 million.

The following table reflects the condensed Statement of Activities (in millions) at April 30, 2010, with comparisons to April 30, 2009:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	$ 4.4	$ 4.0	$ 6.2	$ 7.0	$ 10.6	$ 11.0
Operating grants/contrib.	0.2	0.2	0.0	0.0	0.2	0.2
Capital grants/contributions	0.2	3.4	0.0	0.5	0.2	3.9
General revenues:						
Property taxes	14.9	12.8	0.0	0.0	14.9	12.8
Other taxes	8.4	9.9	0.0	0.0	8.4	9.9
Other	0.6	1.3	0.0	0.0	0.6	1.3
Total revenues	28.7	31.6	6.2	7.5	34.9	39.1
Expenses						
General government	6.9	6.5	0.0	0.0	6.9	6.5
Public safety	14.8	14.8	0.0	0.0	14.8	14.8
Highways and streets	7.8	17.3	0.0	0.0	7.8	17.3
Public health	1.8	1.7	0.0	0.0	1.8	1.7
Community development	2.3	1.8	0.0	0.0	2.3	1.8
Building department	1.0	1.0	0.0	0.0	1.0	1.0
Interest on long-term debt	1.5	0.7	0.0	0.0	1.5	0.7
Water	0.0	0.0	5.3	5.5	5.3	5.5
Sewer	0.0	0.0	2.4	3.2	2.4	3.2
Commuter parking lot	0.0	0.0	0.0	0.0	0.0	0.0
Total expenses	36.1	43.9	7.7	8.7	43.8	52.6
Change in net assets	$ (7.4)	$ (12.3)	$ (1.5)	$ (1.2)	$ (8.9)	$ (13.5)

During FY 2010, national economic conditions continued to impact Village finances. Specifically, revenues from governmental activities declined further from FY09 levels by $2.9 million, or 9.2%. The one bright spot was property tax revenue, which rose $2.1 million, or 16.0%, on a year-over-year basis. To a large extent this was attributable to additional revenues from the non-abatement of several property tax levies, which mitigated an 8.2% contraction in the Village's tax base, itself due to prevailing economic conditions.

Beyond the $3.2 million decrease in grant funding however, economically sensitive tax revenues, such as sales and income, slid by $1.5 million, or 15.2%, as discussed further in the immediately following section. Business-type activity revenue also declined, by $1.2 million, or 16.0% as water and sewer revenue decreased due to lower corporate demand and lower rates of collection. As a result, total Village revenues decreased by $4.2 million, or 10.7%.

Governmental activity expenses were cut by $7.8 million, or 17.8%, largely because of a $9.7 million reduction in highway and street expenditures due to the completion of the Grand Avenue underpass, and a $952 thousand decrease in public safety expenditures that was achieved primarily through attrition. Similarly, water and sewer expenses declined $1.2 million because of the previously-mentioned lower demand for water. Overall, expenses declined by $8.8 million, or 16.7%. As a result of these expenditure declines, the change in net Village assets was ($8.9) million.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance (in millions) at April 30, 2010, with comparisons to April 30, 2009:

	General Corporate Fund		Working Cash Fund		Other Governmental Funds		Total Governmental Funds	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues								
Property taxes	$ 9.3	$ 8.8	$ 0.1	$ 0.2	$ 5.5	$ 3.8	$ 14.9	$ 12.8
Other taxes.	7.9	8.9	-	-	0.5	0.6	8.4	9.5
Licenses, permits, fees	1.3	1.9	-	-	0.0	0.0	1.3	1.9
Grants	0.2	0.2	-	-	0.2	3.4	0.4	3.6
Other revenue	6.0	1.1	-	-	0.0	0.1	6.0	1.2
Fines & forfeitures	0.9	0.5	-	-	0.5	0.1	1.4	0.6
Investment income	0.0	0.0	-	0.1	0.0	0.0	0.0	0.1
Charges for services	0.9	1.2	-	-	0.8	0.4	1.7	1.6
Total revenues	21.1	22.6	0.1	0.3	7.5	8.4	28.7	31.3
Expenditures								
General government	4.9	5.5	-	-	1.4	0.2	6.3	5.7
Public safety	12.1	12.2	-	-	0.4	0.4	12.5	12.6
Highways and streets	1.9	1.7	-	-	0.3	9.1	2.2	10.8
Public health	0.3	0.2	-	-	1.5	1.5	1.8	1.7
Community development	0.5	0.6	-	-	2.4	1.2	2.9	1.8
Building department	0.9	0.9	-	-	0.0	0.0	0.9	0.9
Debt service	0.0	0.0	-	-	2.0	1.5	2.0	1.5
Capital outlay	0.8	1.3	-	-	0.3	3.6	1.1	4.9
Total expenditures	21.3	22.4	-	-	8.3	17.5	29.6	39.9
Excess (deficiency) of revenues over (under) expenditures	(0.2)	0.2	0.1	0.3	(0.8)	(7.1)	(0.9)	(8.6)
Other sources (uses)	0.1	(0.6)	-	-	0.4	(0.0)	0.5	(0.6)
Change in net assets	$ (0.1)	$ (0.4)	$ 0.1	$ 0.3	$ (0.4)	$ (7.1)	$ (0.4)	$ (9.2)

Both general and total governmental fund revenues declined from FY 2009 levels, largely for the reasons cited earlier with respect to the economy's ongoing effects. While property tax revenues came into the general fund some $2.1 million stronger than in the previous year, literally all other general fund tax revenues declined, as shown in the following table.

	FY 2009	FY 2010	$ Change	% Change
Tax				
Sales	$ 2.6	$ 2.4	$ (0.2)	(9.2)%
Income	1.7	1.5	(0.2)	(12.2)%
Utility	2.3	2.1	(0.2)	(10.5)%
Other	2.2	1.9	(0.3)	(13.3)%
Total	$ 8.8	$ 7.9	$ (0.9)	(10.2)%

Indeed, the only general fund revenue source to increase from FY 2009 levels, other than property taxes were fines and forfeitures, which increased by $409 thousand, or 77.0%. At the total governmental funds

level, the overall revenue picture was similar, albeit with an increase of $221 thousand, or 14.5% in charges for services due to the Village commencing refuse collection services.

PROPRIETARY FUNDS

The following table presents the condensed Statement of Revenues, Expenditures and Changes in Fund Net Assets for the Village's proprietary funds (in millions) at April 30, 2010, with comparisons to April 30, 2009. Because of space considerations, results for the Commuter Parking Lot fund are not shown separately, but are included in the amounts shown in the Total column.

	Water Fund		Sewer Fund		Total Proprietary Funds	
	2010	2009	2010	2009	2010	2009
Operating revenues						
Charges for services	$ 4.0	$ 4.4	$ 2.1	$ 2.5	$ 6.2	$ 7.0
Other revenue.	0.0	0.0	0.0	0.0	0.0	0.0
Total operating revenues	4.0	4.4	2.1	2.5	6.2	7.0
Operating expenses						
Administration	1.3	1.8	0.4	1.4	1.7	3.1
Water purchases	2.7	2.2	0.0	0.0	2.7	2.2
Repairs & maintenance	0.3	0.4	0.3	0.3	0.6	0.7
Supplies & services	0.4	0.7	0.1	0.0	0.5	0.8
Depreciation	0.5	0.4	0.6	0.5	1.1	0.9
Total operating expenses	5.2	5.5	1.4	2.2	6.6	7.7
Operating income (loss)	(1.2)	(1.1)	0.7	0.3	(0.4)	(0.7)
Non-operating revenues (expenses)						
Interest expense	0.0	0.0	(0.9)	(1.0)	(0.9)	(1.0)
Other, net	0.0	0.0	0.0	0.5	0.0	0.5
Total non-operating revenues (expense)	0.0	0.0	(0.9)	(0.5)	(0.9)	(0.5)
Net income (loss)	$ (1.2)	$ (1.0)	$ (0.2)	$ (0.2)	$ (1.3)	$ (1.2)

Proprietary fund revenues fell by $800 thousand, as the Village experienced 14.4% lower demand for water (as mentioned above) due both to the economy and a change in the way it charges for water and sewer services, the latter of which resulted in a relatively high number of refunds for prior years' service.

Additionally, collection rates lagged as evidenced by an increase in receivables of $232 thousand on a decline in revenue of $782 thousand. These factors effectively netted to a 9.4% decrease in water sales. As water and sewer billing are related by formula (with a 65/35 split, respectively), sewer sales experienced essentially the same decline. All in all, proprietary fund revenues declined by $782 thousand, or 11.1%.

On the expense side, the purchase of water from the City of Chicago actually increased by $430 thousand, or 19.2%, largely because of a 14.2% increase in rates charged by the city. Nevertheless, overall proprietary fund operating expenses declined by $1.1 million (14.8%) led by administrative costs, which declined by $1.5 million, or 46.9%, largely on the reduction of $1.1 million in bad debt expense from FY 2009, which was the point at which accumulated receivables were finally written off.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed General Fund Budgetary Comparison Schedule (in millions):

	Adopted Budget	Actual	Variance
Revenues			
Taxes	$ 19.4	$ 17.2	$ (2.2)
Licenses, permits, fees	2.4	1.3	(1.1)
Fines and forfeitures	0.8	0.9	0.1
Charges for services	1.2	0.9	(0.3)
Other	1.7	0.8	(0.9)
Total	25.5	21.1	(4.4)
Expenditures			
Current	22.3	20.5	1.8
Debt service	0.0	0.0	(0.0)
Capital outlay	1.3	0.8	0.4
Total	23.5	21.3	2.2
Change in fund balance	$ 2.0	$ (0.2)	$ (2.2)

Actual revenues fell short of budget by approximately $4.4 million while actual expenditures came in under budget by $2.2 million. Taken together, this resulted in an overall negative budget variance approximating $2.2 million.

On the revenue side, virtually all sources fell short of budget, which was directly related to macroeconomic trends well beyond the Village's control. Among these are sales, income and utility taxes as well as license, permit and fee revenues (collectively accounting for a negative variance of $2.2 million). Other, traditionally more stable sources missed budget as well, in part also because of macroeconomics, including property taxes (off by $703 thousand) grant revenue ($658 thousand) and other revenue and taxes ($562 thousand).

On the expenditure side, generally conservative spending policies resulted in a positive variance of $1.8 million, as all but public safety and community development expenditures came in under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2010, the Village had capital asset investments as follows:

Capital Assets

Governmental Activities
Change in Capital Assets
(in millions)*

	Balance at May 1, 2009	Net Additions (Deletions)	Balance at April 30, 2010
Non-depreciable assets:			
Land/CIP	$ 12.9	$ (2.6)	$ 10.3
Depreciable assets:			
Infrastructure	124.0	3.6	127.6
Buildings and improvements	5.6	0.1	5.7
Vehicles/furniture/fixtures	5.7	0.3	6.0
Accumulated depreciation	(99.7)	(6.4)	(106.2)
Totals	$ 48.5	$ (5.0)	$ 43.5

Assets deployed in the service of governmental activities decreased by $5.0 million. Significant additions included the purchase, for $1.1 million, of property in one of the Village's TIF's, infrastructure additions of $3.6 million (due to the completion of the Seymour Avenue reconstruction project) and the addition of $401 thousand of miscellaneous equipment and improvements. This was offset by $6.4 million in depreciation expense, the net completion of $2.9 million of construction in progress and the sale of land for $851 thousand.

See Note 3 in the Notes to Financial Statements for more details.

Business-Type Activities
Change in Capital Assets
(in millions)

	Balance at May 1, 2009	Net Additions (Deletions)	Balance at April 30, 2010
Non-depreciable assets:			
Land/CIP	$ 0.6	$ (0.3)	$ 0.2
Depreciable assets:			
Water/sewer system	46.5	2.8	49.3
Storage reservoir/pump	5.0	0.2	5.1
Buildings and improvements	1.9	0.2	2.1
Vehicles and equipment	2.8	0.0	2.8
Accumulated. depreciation	(19.9)	(1.1)	(21.0)
Totals	$ 36.9	$ 1.7	$ 38.6

Business-type capital assets increased by $1.7 million, largely on the addition of $2.7 million in water system infrastructure improvements and an additional $404 thousand in miscellaneous equipment purchases and building improvements. This was offset by depreciation expense of $1.1 million and the net completion of $330 thousand of construction in progress.

DEBT ADMINISTRATION

At April 30, 2010, the Village had outstanding debt as follows:

G.O. Refunding Bonds of 2003	$ 235,000
G.O. Alternate Revenue Bonds of 2004A	6,215,000
G.O. Alternate Revenue Bonds of 2004B	16,385,000
G.O. Alternate Revenue Bonds of 2005A	3,965,000
G.O. Alternate Revenue Bonds of 2006	9,500,000
G.O. Alternate Revenue Bonds of 2007	7,860,000
Deferred Premium (Discount), Net	1,679,785
Loans Payable	6,483,112
Leases Payable	1,102,840
Compensated Absences	1,144,535
Net Pension Obligation	2,373,502
Post Employment Benefits	3,090,062
Total	$ 60,033,836

See Note 4 in the Notes to Financial Statements for more detail.

ECONOMIC FACTORS

With about two thirds of its tax base comprised of industrial property, the Village is the fourth largest manufacturing center in the state. This, combined with its essentially blue collar character makes the Village highly susceptible to economic cyclicality. It is not surprising then to note that the current economic environment has had important effects on the Village. This is evident in the almost uniform declines in virtually all economically sensitive revenue sources as well as the aforementioned 8.2% contraction in the tax base and declines in water and sewer revenue. Village management has taken several difficult but necessary steps to weather the storm. These are detailed in Note 14.

At this writing, management anticipates that the current sluggish economic climate will persist over the coming year or more, though it is also anticipated that revenue declines are at or near bottom. At sharp variance with these guardedly optimistic expectations is the state's financial plight, which imparts a significant level of uncertainty to the Village's financial fortunes, and the effective "jobless" nature of the recovery, the latter of which will continue to affect our residents' financial stability.

All that having been said, the Village's manufacturing character is a strength as well as weakness. In addition, its location adjacent to O'Hare International Airport and proximity to one of the largest rail yards in the nation will allow it to recover more quickly once the economic recovery begins to gain steam. Further, ongoing development at O'Hare holds several benefits for the Village, including a new toll way interchange that could provide a significant boost to economic development activities.

FURTHER INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Office of the Comptroller, Village of Franklin Park, 9500 Belmont Avenue, Franklin Park, IL 60131.

The Village of Franklin Parks' police and fire pension funds issue separate financial statements that can be obtained by contacting the Office of the Treasurer, at the above address.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
April 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash	$ 13,126,717	$ 125,841	$ 13,252,558
Investments	1,785,515	-	1,785,515
Property taxes receivable	8,394,361	-	8,394,361
Accrued Interest	330	-	330
Accounts receivable	2,763,886	954,938	3,718,824
Other assets	1,165,653	-	1,165,653
Internal balances	(1,600,000)	1,600,000	-
Non-current			
Assets held for resale	837,320	-	837,320
Unamortized bond costs	655,053	152,639	807,692
Capital assets not being depreciated	10,340,098	235,981	10,576,079
Capital assets being depreciated, net	33,115,581	38,320,765	71,436,346
Total assets	70,584,514	41,390,164	111,974,678
Liabilities			
Current			
Cash overdraft liability	5,798,633	2,535,080	8,333,713
Accounts payable	3,785,056	1,540,225	5,325,281
Accrued payroll	255,522	22,056	277,578
Accrued interest payable	423,551	321,659	745,210
Deferred property tax revenue	8,328,794	-	8,328,794
Other deferred revenue	229,525	-	229,525
Due to pension funds	114,288	-	114,288
Deposits payable	11,000	-	11,000
Short term loans payable	2,000,000	-	2,000,000
Compensated absences payable	701,055	61,946	763,001
Current portion - bonds payable	520,000	840,000	1,360,000
Current portion - leases payable	140,637	161,370	302,007
Current portion - loans payable	-	821,603	821,603
Non-current			
Compensated absences payable	381,534	-	381,534
Bonds payable	27,774,525	16,705,260	44,479,785
Leases payable	457,203	343,630	800,833
Loans payable	-	5,661,509	5,661,509
Net pension obligation	2,373,502	-	2,373,502
Net OPEB obligation	2,816,064	273,998	3,090,062
Total liabilities	56,110,889	29,288,336	85,399,225
Net assets			
Invested in capital assets, net of related debt	15,082,839	15,183,634	30,266,473
Restricted assets			
Highways and streets	3,556,754	-	3,556,754
Community development	2,728,045	-	2,728,045
Debt service	1,549,809	-	1,549,809
Unrestricted	(8,443,822)	(3,081,806)	(11,525,628)
Total net assets	$ 14,473,625	$ 12,101,828	$ 26,575,453

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	$ 6,860,507	$ 897,771	$ 11,613	$ -	$ (5,951,123)		$ (5,951,123)
Public safety	14,836,168	2,276,909	204,739	-	(12,354,520)		(12,354,520)
Highway and street	7,812,070	-	-	209,896	(7,602,174)		(7,602,174)
Public health	1,827,272	514,558	-	-	(1,312,714)		(1,312,714)
Community development	2,272,932	22,828	-	-	(2,250,104)		(2,250,104)
Building department	998,682	686,919	-	-	(311,763)		(311,763)
Interest on long-term debt	1,518,439	-	-	-	(1,518,439)		(1,518,439)
Total government activities	36,126,070	4,398,985	216,352	209,896	(31,300,837)		(31,300,837)
Business-type activities							
Water	5,294,989	4,028,559	-	-		$ (1,266,430)	(1,266,430)
Sewer	2,374,980	2,141,395	-	30,204		(203,381)	(203,381)
Commuter parking lot	8,986	53,717	-	-		44,731	44,731
Total business-type activities	7,678,955	6,223,671	-	30,204		(1,425,080)	(1,425,080)
Total primary government	$ 43,805,025	$ 10,622,656	$ 216,352	$ 240,100	(31,300,837)	(1,425,080)	(32,725,917)
General revenues							
Taxes							
Property taxes, levied for general purposes					14,859,858	-	14,859,858
Public service taxes							
Sales tax					2,403,228	-	2,403,228
Income tax					1,474,908	-	1,474,908
Utility tax					2,073,897	-	2,073,897
Other taxes					2,458,094	-	2,458,094
Unrestricted investment earnings					8,996	8,255	17,251
Miscellaneous revenues					607,818	8,289	616,107
Total general revenues					23,886,799	16,544	23,903,343
Change in net assets					(7,414,038)	(1,408,536)	(8,822,574)
Net assets - beginning as restated					21,887,663	13,510,364	35,398,027
Net assets - ending					$ 14,473,625	$ 12,101,828	$ 26,575,453

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2010

	Major Funds			
	General Corporate Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Assets				
Cash	$ -	$ 3,909,350	$ 9,217,367	$ 13,126,717
Investments	-	-	1,785,515	1,785,515
Property taxes receivable	6,332,675	-	2,061,686	8,394,361
Accrued interest	-	-	330	330
Accounts receivable	2,525,335	-	238,551	2,763,886
Other assets	1,165,653	-	-	1,165,653
Interfund receivables	680,205	685,000	1,121,383	2,486,588
Total assets	$ 10,703,868	$ 4,594,350	$ 14,424,832	$ 29,723,050
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 2,880,027	$ -	$ 2,918,606	$ 5,798,633
Accounts payable	1,362,394	-	2,422,662	3,785,056
Accrued payroll	251,330	-	4,192	255,522
Compensated absences payable	701,055	-	-	701,055
Deferred property tax revenue	6,283,584	-	2,045,210	8,328,794
Other deferred revenue	660,659	-	-	660,659
Deposits payable	11,000	-	-	11,000
Due to pension funds	114,288	-	-	114,288
Interfund payables	1,200,000	-	2,886,588	4,086,588
Short term loans payable	2,000,000	-	-	2,000,000
Total liabilities	15,464,337	-	10,277,258	25,741,595
Fund balances				
Reserved for interfunds	680,205	685,000	1,121,383	2,486,588
Reserved for public safety	-	-	742,781	742,781
Reserved for highway and streets	-	-	3,556,754	3,556,754
Reserved for community development	-	-	2,728,045	2,728,045
Reserved for debt service	-	-	1,549,809	1,549,809
Reserved for capital projects	-	-	313,589	313,589
Unreserved	(5,440,674)	-	-	(5,440,674)
Unreserved - special revenue funds	-	3,909,350	(3,533,130)	376,220
Unreserved - debt service funds	-	-	(1,673,389)	(1,673,389)
Unreserved - capital project funds	-	-	(658,268)	(658,268)
Total fund balances	(4,760,469)	4,594,350	4,147,574	3,981,455
Total liabilities and fund balances	$ 10,703,868	$ 4,594,350	$ 14,424,832	$ 29,723,050

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2010

Total fund balances - governmental funds		$ 3,981,455
Amounts reported for governmental activities in the net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	149,614,774	
Accumulated depreciation	(106,159,095)	
Net capital assets		43,455,679
Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:		
State and local taxes	431,134	
Assets held for resale	837,320	
		1,268,454
Interest on long-term debt is not accrued in the governmental funds but rather recognized when due:		(423,551)
Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.		655,053
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Bonds payable	(28,294,525)	
Leases payable	(597,840)	
Compensated absences payable	(381,534)	
Net pension obligation	(2,373,502)	
Net OPEB obligation	(2,816,064)	
Total long-term liabilities		(34,463,465)
Net assets of governmental activities		$ 14,473,625

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2010

	Major Funds			
	General Corporate Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Revenues				
Property taxes	$ 9,324,407	$ 79,418	$ 5,456,033	$ 14,859,858
Sales taxes	2,403,228	-	-	2,403,228
Income taxes	1,474,908	-	-	1,474,908
Utility taxes	2,073,897	-	-	2,073,897
Other taxes	1,948,484	-	540,231	2,488,715
Licenses, permits and fees	1,255,180	-	-	1,255,180
Grant revenue	216,352	-	209,896	426,248
Other revenue	607,527	-	291	607,818
Fines and forfeitures	942,587	-	455,884	1,398,471
Investment income	2,804	2,063	4,129	8,996
Charges for services	897,672	-	847,662	1,745,334
Total revenues	21,147,046	81,481	7,514,126	28,742,653
Expenditures				
Current				
General government	4,871,201	-	1,418,620	6,289,821
Public safety	12,061,255	-	405,189	12,466,444
Highway and street	1,854,959	-	320,482	2,175,441
Public health	275,833	-	1,529,838	1,805,671
Community development	528,339	-	2,417,818	2,946,157
Building department	858,240	-	-	858,240
Debt service				
Principal	-	-	470,000	470,000
Interest and other charges	38,444	-	1,463,266	1,501,710
Capital outlay	834,276	-	259,072	1,093,348
Total expenditures	21,322,547	-	8,284,285	29,606,832
Excess (deficiency) of revenues over (under) expenditures	(175,501)	81,481	(770,159)	(864,179)
Other financing sources (uses)				
Transfers in	-	-	1,659,872	1,659,872
Transfers out	(1,468)	-	(1,658,404)	(1,659,872)
Proceeds from capital lease	92,889	-	-	92,889
Proceeds from the sale of fixed assets	-	-	415,408	415,408
Total other financing sources (uses)	91,421	-	416,876	508,297
Net changes in fund balances	(84,080)	81,481	(353,283)	(355,882)
Fund balances at beginning of year as restated	(4,676,389)	4,512,869	4,500,857	4,337,337
Fund balances at end of year	$ (4,760,469)	$ 4,594,350	$ 4,147,574	$ 3,981,455

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2010

Net change in fund balances - total governmental funds		$ (355,882)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay	2,248,169	
Depreciation	(6,423,607)	
Capital outlay in excess of depreciation		(4,175,438)
The proceeds from the sale of land and equipment are reported as revenues and the purchase of land and equipment are reported as expenditures in the governmental funds. However, the cost of the land and equipment is removed from the capital asset account in the statement of net assets and offset against sale proceeds resulting in gain or (loss) in the statement of activities.		
Net effect of sales, trade-ins and disposals of assets		(851,515)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.		
Principal retirement - bonds	470,000	
Principal retirement - leases	144,539	
Proceeds from capital leases	(92,889)	
		521,650
Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:		(30,621)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Amortization of deferred bond issuance costs, premium and discount	(43,431)	
Change in compensated absences payable	(350,092)	
Change in net pension obligation	(741,506)	
Change in net OPEB obligation	(1,382,463)	
Change in accrued interest on debt	(4,740)	
Total expenses of non-current resources		(2,522,232)
Change in net assets of governmental activities		$ (7,414,038)

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Assets				
Current assets:				
Cash	$ -	$ -	$ 125,841	$ 125,841
Accounts receivable	534,849	420,089	-	954,938
Interfund receivable	1,180,000	420,000	-	1,600,000
Total current assets	1,714,849	840,089	125,841	2,680,779
Noncurrent assets:				
Unamortized bond costs	-	152,639	-	152,639
Capital assets, not being depreciated	150,000	85,981	-	235,981
Capital assets, net of accumulated depreciation	9,110,262	29,210,503	-	38,320,765
Total noncurrent assets	9,260,262	29,449,123	-	38,709,385
Total assets	10,975,111	30,289,212	125,841	41,390,164
Liabilities				
Current liabilities:				
Cash overdraft liability	2,437,998	97,082	-	2,535,080
Accounts payable	1,109,418	430,580	227	1,540,225
Accrued payroll	19,583	2,473	-	22,056
Compensated absences payable	30,973	30,973	-	61,946
Accrued interest payable	-	321,659	-	321,659
Current portion - bonds payable	-	840,000	-	840,000
Current portion - loans payable	-	821,603	-	821,603
Current portion - leases payable	-	161,370	-	161,370
Total current liabilities	3,597,972	2,705,740	227	6,303,939
Noncurrent liabilities:				
Noncurrent portion - bonds payable	-	16,705,260	-	16,705,260
Noncurrent portion - loans payable	-	5,661,509	-	5,661,509
Noncurrent portion - leases payable	-	343,630	-	343,630
Net OPEB obligation	136,999	136,999	-	273,998
Total noncurrent liabilities	136,999	22,847,398	-	22,984,397
Total liabilities	3,734,971	25,553,138	227	29,288,336
Net assets				
Invested in capital assets, Net of related debt	9,260,262	5,923,372	-	15,183,634
Unrestricted	(2,020,122)	(1,187,298)	125,614	(3,081,806)
Total net assets	$ 7,240,140	$ 4,736,074	$ 125,614	$ 12,101,828

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Operating revenues				
Charges for services	$ 4,028,559	$ 2,141,395	$ 53,717	$ 6,223,671
Other revenue	5,790	-	2,499	8,289
Total operating revenues	4,034,349	2,141,395	56,216	6,231,960
Operating expenses				
Administration	1,326,332	453,061	8,700	1,788,093
Water purchases	2,670,579	-	-	2,670,579
Repairs & maintenance	337,491	299,871	286	637,648
Supplies & services	419,003	118,783	-	537,786
Depreciation	541,584	561,780	-	1,103,364
Total operating expenses	5,294,989	1,433,495	8,986	6,737,470
Operating income (loss)	(1,260,640)	707,900	47,230	(505,510)
Non-operating revenues (expenses)				
Investment income	6,412	1,782	61	8,255
Grant revenue	-	30,204	-	30,204
Interest expense	-	(941,485)	-	(941,485)
Total non-operating revenues (expenses)	6,412	(909,499)	61	(903,026)
Net income (loss)	(1,254,228)	(201,599)	47,291	(1,408,536)
Net assets at beginning of year	8,494,368	4,937,673	78,323	13,510,364
Net assets at end of year	$ 7,240,140	$ 4,736,074	$ 125,614	$ 12,101,828

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total Enterprise Funds
Cash flows provided (used) by operating activities				
Receipts from customers	$ 3,918,647	$ 2,025,542	$ 56,216	$ 6,000,405
Payments to suppliers	(1,012,032)	(411,113)	(8,759)	(1,431,904)
Payments to employees	(869,843)	(132,411)	-	(1,002,254)
Net cash provided (used) by operating activities	2,036,772	1,482,018	47,457	3,566,247
Cash flows provided (used) by non-capital and related financing activities				
Interfund borrowing	(1,285,000)	85,000	-	(1,200,000)
Receipts from grantors	-	30,204	-	30,204
Net cash provided (used) by non-capital and related financing activities	(1,285,000)	115,204	-	(1,169,796)
Cash flows used by capital and related financing activities				
Principal paid on capital asset acquisition debt	-	(1,607,809)	-	(1,607,809)
Interest paid on capital asset acquisition debt	-	(1,022,693)	-	(1,022,693)
Purchases of capital assets	(1,998,617)	(99,096)	-	(2,097,713)
Net cash used by capital and related financing activities	(1,998,617)	(2,729,598)	-	(4,728,215)
Cash flows provided by investing activities				
Sale of investments	1,012,158	-	-	1,012,158
Interest	6,412	1,782	61	8,255
Net cash provided by investing activities	1,018,570	1,782	61	1,020,413
Net increase (decrease) in cash and cash equivalents	(228,275)	(1,130,594)	47,518	(1,311,351)
Balances - beginning of the year	228,275	1,130,594	78,323	1,437,192
Balances - end of year	$ -	$ -	$ 125,841	$ 125,841
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (1,260,640)	$ 707,900	$ 47,230	$ (505,510)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	541,584	561,780	-	1,103,364
Change in assets and liabilities:				
Decrease (increase) receivables, net	(115,702)	(115,853)	-	(231,555)
(Decrease) increase accounts payable	2,833,673	265,099	227	3,098,999
(Decrease) increase accrued payroll	(27,401)	(2,166)	-	(29,567)
(Decrease) increase compensated absences	455	455	-	910
(Decrease) increase OPEB obligation	64,803	64,803	-	129,606
Net cash provided (used) by operating activities	$ 2,036,772	$ 1,482,018	$ 47,457	$ 3,566,247
Supplemental disclosures of non-cash transactions				
Purchases of capital assets	$ (1,786,059)	$ (81,307)	$ -	$ (1,867,366)
Change in net OPEB obligation	64,803	64,803	-	129,606

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Funds	Agency Funds
Assets		
Cash	$ 36,985	$ 351,450
Investments:		
Certificates of deposit	9,459,187	-
State and local obligations	918,081	-
US government and agency obligations	7,728,249	-
US government backed securities	1,929,136	-
Insurance contracts	11,428,967	-
Equity securities	1,691,770	-
Equity mutual funds	2,838,494	-
Money market mutual funds	1,993,402	-
Accrued interest receivable	114,479	-
Other receivable	-	419
Due from village	114,288	-
Prepaids	761	-
Total assets	38,253,799	$ 351,869
Liabilities		
Accounts payable	32,687	$ -
Deposits payable	-	351,869
Total liabilities	32,687	$ 351,869
Net assets		
Held in trust for pension benefits and other purposes	38,221,112	
Total net assets	$ 38,221,112	

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 2,039,901
Plan members	655,084
Total contributions	2,694,985
Net investment earnings	5,132,010
Total additions	7,826,995
Deductions	
Benefits	3,517,734
Administrative expenses	91,669
Total deductions	3,609,403
Change in net assets	4,217,592
Net assets - beginning of year	34,003,520
Net assets - end of year	$ 38,221,112

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Franklin Park, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan, Firefighter's Pension Plan and Foreign Fire Insurance Premium Tax Fund have been included in the financial reporting entity as blended component units.

Police Pension Plan – The Village's police department employees participate in the Police Pension Plan ("Police Pension Plan"). The Police Pension Plan functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the President, one elected pension beneficiary, and two elected police employees constitute the pension board. The Village is obligated to fund all Police Pension Plan costs based on actuarial valuations. The nature of the Police Pension Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Police Pension Plan can be obtained from the Village by contacting the Village Controller.

Firefighter's Pension Plan – The Village's fire department employees participate in the Firefighter's Pension Plan ("Firefighter's Pension Plan"). The Firefighter's Pension Plan functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The Village is obligated to fund all Firefighter's Pension Plan costs based on actuarial valuations. The nature of the Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Firefighter's Pension Plan can be obtained from the Village by contacting the Village Controller.

Foreign Fire Insurance Premium Tax Fund – The Foreign Fire Insurance Premium Tax Fund was established to account for the fire department's allocable foreign fire insurance tax revenue. This revenue is provided to the fire department as an inducement to assist neighboring communities in emergency situations. The fund is governed by a board that includes members of the Board of Trustees and fire department personnel, all of which are elected by the members of the fire department. The fund is included within the Village's reporting entity as a special revenue fund.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statements – The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2010, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major governmental funds:

General Corporate Fund – The General Corporate Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Working Cash Fund – This special revenue fund is used to account for resources utilized for investment and daily operations Village.

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the operating activities of the Village's water utilities services.

Water and Sewer Fund – The Sewer Fund accounts for the operating activities of the Village's sewer utilities services.

Commuter Parking Lot Fund – The Commuter Parking Lot fund accounts for the operating activities of the Village's parking lot activities.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has two pension trust funds that account for the Police Pension Plan and the Firefighter's Pension Plan.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental Funds

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs

Capital Projects Fund – The Capital Projects Fund is used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Loans: Noncurrent portions of long-term interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of $10,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Infrastructure	20-75 years
Water and sewer system	10-75 years
Vehicles and equipment	5-10 years

Investments: Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the Police Pension Plan and Fire Pension Plan with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Equity/Net Assets: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds had deficit fund balances at April 30, 2010:

Fund	Amount
General Corporate Fund	$ 4,760,449
Garbage Fund	1,563,697
IMRF Fund	49,992
Downtown Franklin Avenue TIF Fund	2,064,075
Resurrection TIF Fund	1,673,389
Seymour Avenue Capital Projects Fund	658,268

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are reimbursed for accumulated sick and vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is lost on January 1 of the following year. Police and Fire department and employees are paid out for unused sick and vacation time upon termination of employment or retirement per standing union contracts. Non-union Village employees are paid out for 25% of unused sick time and 100% of unused vacation time. As such, the total liability as of the fiscal year end is $1,144,535.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

Accounting For Proprietary Fund Activities: The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, to the proprietary fund activities.

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are not anticipated to occur within the next fiscal year. As such, they are classified as a noncurrent asset in the Government-wide statements valued at cost. The carrying amount as of April 30, 2010 was $837,320.

NOTE 2 - CASH AND INVESTMENTS

Permitted Deposits and Investments: Statues authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. The Pension Trust Funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. Pension funds with net assets of $2.5 million or more may invest up to 45% of plan net assets in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net assets of at least $5 million that have appointed an investment advisor may invest up to 45% of the plan's net assets in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The shares do not mature.

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was $3,980,837 at April 30, 2010, while the bank balances were $4,866,539. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2010. All investments mature in less than one year:

Investment Types	Fair Value
Money market mutual fund	$ 1,785,515
Treasurer Illinois Funds	1,289,458
Total investments	$ 3,074,973

Interest Rate Risk – The Village limits its exposure to interest rate risk by structuring the portfolio by not investing any operating funds in any debt instruments other than U.S. Agencies and Illinois Funds.

Credit Risk – The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Agencies and Illinois Funds. The United States Agencies are implicitly guaranteed by the United States Government. Illinois Funds are rated AAAm by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village limits its exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Village, to act as custodians for its securities and collateral. The Village's investments are fully collateralized as of April 30, 2010.

Concentration of Credit Risk – The Village limits the amount the Village may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Village's investments are in Amalgamated Bank money market mutual fund, Wells Fargo money market mutual fund and Illinois Funds. These investments are 48%, 10% and 42%, respectively, of the Village's investments.

Cash – Police Pension Plan: At April 30, 2010, the Police Pension Plan's carrying amount of cash was $7,512 while the bank balances were $9,418. The FDIC insures bank balances up to $250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Plan's name by a financial institution acting as the Police Pension Plan's agent.

Certificates of Deposit – Police Pension Plan: Certificates of Deposit amounted to $9,459,187 at April 30, 2010. In accordance with Police Pension Plan policy, certificates of deposit of $9,410,059 were collateralized with securities of the U.S. Government. $49,128 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Plan's name by financial institutions acting as the Police Pension Plan agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments – Police Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2010:

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Investment Maturities Greater than Ten Years
U.S. Agencies	$ 921,482	$ 921,482
Total	921,482	$ 921,482
Investments Not Sensitive to Interest Rate Risk:		
Mutual Funds	2,171,003	
Life Insurance Annuities	6,400,973	
Total Investments	$ 9,493,458	

Interest Rate Risk – The Police Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Police Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Police Pension Plan's investment policy also prescribes the "prudent person" rule.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Police Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. Although not required by the Police Pension Plan's investment policy, the Police Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Police Pension Plan places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Plan's investments are in LPL Financial Money Market Mutual Fund, Commonwealth Annuity Insurance Contract and Sun Life Insurance Contract. These investments are 5%, 9%, and 5%, respectively, of the Police Pension Plan's total investments.

Cash – Firefighter's Pension Plan: At April 30, 2010, the Firefighter's Pension Plan's carrying amount of cash was $29,473 while the bank balances were $37,427. The FDIC insures bank balances up to $250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter's Pension Plan's name by a financial institution acting as the Firefighter's Pension Plan's agent.

Investments – Firefighter's Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2010:

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

		Investment Maturities			
Investment Type	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
State and Local Obligations	$ 918,081	$ -	$ 918,081	$ -	$ -
U.S. Treasury Notes	2,994,432	-	2,496,855	497,577	-
U.S. Agencies	5,741,471	-	4,961,655	641,914	137,902
Total	9,653,984	$ -	$ 8,376,591	$ 1,139,491	$ 137,902
Investments Not Sensitive to Interest Rate Risk:					
Equity Securities	1,691,770				
Mutual Funds	2,660,893				
Life Insurance Annuities	5,027,994				
Total Investments	$ 19,034,641				

Interest Rate Risk – The Firefighter's Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighter's Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Firefighter's Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Firefighter's Pension Plan's investment policy also prescribes the "prudent person" rule. Unrated investments are listed below:

Investment	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corporation	$ 3,445	7.0%	9/1/2015
Federal Home Loan Mortgage Corporation	1,980	7.0%	2/1/2032
Federal National Mortgage Association	11,973	7.5%	7/1/2029
Federal National Mortgage Association	6,769	7.0%	10/1/2029
Federal National Mortgage Association	10,067	7.0%	7/1/2032

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighter's Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Firefighter's Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighter's Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Firefighter's Pension Plan has a stated target that 55% of the portfolio be in fixed income securities, 40% in equities and 5% in real estate. More than 5% of the Firefighter's Pension Plan's investments are in Pridex Wishire Insurance Contract. This investment is 22% of the Firefighter's Pension Plan's total investments.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:	
Statement of net assets	
Cash	$ 13,252,558
Investments	1,785,515
Cash overdraft liability	(8,333,713)
Statement of fiduciary net assets	
Pension trust funds	
Cash	36,985
Certificates of deposit	9,459,187
State and local obligations	918,081
US government and agency obligations	7,728,249
US government backed securities	1,929,136
Insurance contracts	11,428,967
Equity securities	1,691,770
Equity mutual funds	2,838,494
Money market mutual funds	1,993,402
Agency funds	
Cash	351,450
Total	$ 45,080,081

Cash and investments per footnote:	
Cash	$ 3,980,837
Investments	3,074,973
Cash – Police Pension Plan	7,512
Certificate of deposits – Police Pension Plan	9,459,187
Investments – Police Pension Plan	9,493,458
Cash – Firefighter's Pension Plan	29,473
Investments – Firefighter's Pension Plan	19,034,641
Total	$ 45,080,081

(Continued)

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2009 through April 30, 2010 follows:

	Balance at May 1, 2009	Additions	Deletions	Balance at April 30, 2010
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 10,046,015	$ 1,145,598	$ (851,515)	$ 10,340,098
Construction in progress	2,889,825	797,440	(3,687,265)	-
Total capital assets being not depreciated	12,935,840	1,943,038	(4,538,780)	10,340,098
Capital assets being depreciated				
Infrastructure	123,967,455	3,591,305	-	127,558,760
Buildings and improvements	5,598,358	138,652	-	5,737,010
Vehicles and equipment	5,716,467	262,439	-	5,978,906
Subtotal	135,282,280	3,992,396	-	139,274,676
Less accumulated depreciation:				
Infrastructure	(92,504,337)	(5,849,124)	-	(98,353,461)
Buildings and improvements	(2,955,316)	(111,605)	-	(3,066,921)
Vehicles and equipment	(4,275,835)	(462,878)	-	(4,738,713)
Total accumulated depreciation	(99,735,488)	(6,423,607)	-	(106,159,095)
Total capital assets being depreciated, net	35,546,792	(2,431,211)	-	33,115,581
Governmental activities capital assets, net	$ 48,482,632	$ (488,173)	$(4,538,780)	$ 43,455,679

Depreciation expenses for the Village's Governmental Activities were charged to the following functions:

General government	$ 210,689
Public safety	159,327
Highway and street	6,053,591
Total	$ 6,423,607

(Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2009 through April 30, 2010 follows:

	Balance at May 1, 2009	Additions	Deletions	Balance at April 30, 2010
Business-Type activities:				
Capital assets not being depreciated:				
Land	$ 185,000	$ -	$ -	$ 185,000
Construction in progress	380,780	840,550	(1,170,349)	50,981
Total capital assets being not depreciated	565,780	840,550	(1,170,349)	235,981
Capital assets being depreciated:				
Water and sewer system	46,459,391	2,802,110	-	49,261,501
Storage reservoir/pump	4,981,883	158,295	-	5,140,178
Buildings and improvements	1,945,172	164,124	-	2,109,296
Vehicles and equipment	2,803,306	-	-	2,803,306
Subtotal	56,189,752	3,124,529	-	59,314,281
Less accumulated depreciation:				
Water and sewer system	(14,329,622)	(822,010)	-	(15,151,632)
Storage reservoir/pump	(2,351,022)	(130,052)	-	(2,481,074)
Buildings and improvements	(810,059)	(52,546)	-	(862,605)
Vehicles and equipment	(2,399,449)	(98,756)	-	(2,498,205)
Total accumulated depreciation	(19,890,152)	(1,103,364)	-	(20,993,516)
Total capital assets being depreciated, net	36,299,600	2,021,165	-	38,320,765
Business-Type activities capital assets, net	$ 36,865,380	$ 2,861,715	$(1,170,439)	$ 38,556,746

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

Water	$ 541,584
Sewer	561,780
Total	$ 1,103,364

(Continued)

NOTE 4 – LONG-TERM DEBT

A summary of the changes in the Village's long term debt is summarized below.

Governmental Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Refunding – 2003	$ 310,000	$ -	$ 75,000	$ 235,000	$ 75,000
G.O. Alt. Rev. – 2004A	6,215,000	-	-	6,215,000	-
G.O. Alt. Rev. – 2005A	4,065,000	-	100,000	3,965,000	135,000
G.O. Alt. Rev. – 2006	9,500,000	-	-	9,500,000	-
G.O. Alt. Rev. – 2007	8,155,000	-	295,000	7,860,000	310,000
Plus deferred premium	790,140	-	23,981	766,159	-
Less deferred discount	(254,436)	-	(7,802)	(246,634)	-
Total G.O. Bonds	28,780,704	-	486,179	28,294,525	520,000
Leases payable	649,490	92,889	144,539	597,840	140,637
Compensated absences	732,497	1,311,094	961,002	1,082,589	701,055
Net pension obligation	1,631,996	741,506	-	2,373,502	-
Net OPEB obligation	1,433,601	1,382,463	-	2,816,064	-
Total	$ 33,228,288	$ 3,527,952	$ 1,591,720	$ 35,164,520	$ 1,361,692

Business-Type Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Alt. Rev. – 2004B	$ 17,195,000	$ -	$ 810,000	$ 16,385,000	$ 840,000
Plus deferred premium	1,227,887	-	67,627	1,160,260	-
Total G.O. Bonds	18,422,887	-	877,627	17,545,260	840,000
Leases payable	-	505,000	-	505,000	161,370
Loans payable	7,280,921	-	797,809	6,483,112	821,603
Compensated absences	61,036	71,055	70,145	61,946	61,946
Net OPEB obligation	144,392	129,606	-	273,998	-
Total	$ 25,909,236	$ 705,661	$ 1,745,581	$ 24,869,316	$ 1,884,919

General Obligation Refunding Bonds, Series 2003 – On September 15, 2003, the Village Board authorized the issuance of $650,000 General Obligation Refunding Bonds, Series 2003, dated October 1, 2003. The bonds were issued to refund in advance of their respective maturities $600,000 in aggregate principal amount of the Village's Corporate Purpose Bonds Series 1992 and pay costs associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2012 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 75,000	$ 9,760	$ 84,760	4.00%
2012	80,000	6,760	86,760	4.15%
2013	80,000	3,440	83,440	4.30%
Total	$ 235,000	$ 19,960	$ 254,960	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004A – The Village Board authorized the issuance of $14,865,000 General Obligation Bonds (Alternate Revenue Source), Series 2004A, dated February 4, 2004. The bonds were issued to provide funds to finance certain capital improvements in the Village and to pay the costs of issuance of the Series 2004A Bonds. A portion of the Project is expected to provide relief from traffic congestion and delay caused by the at-grade crossing of two railroads with a main Village Street. $8,650,000 of these bonds was refunded by the issuance of General Obligation Refunding Bonds (Alternative Revenue Source), Series 2006. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2034 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ -	$ 310,750	$ 310,750	5.00%
2012	-	310,750	310,750	5.00%
2013	-	310,750	310,750	5.00%
2014	-	310,750	310,750	5.00%
2015	-	310,750	310,750	5.00%
2016	-	310,750	310,750	5.00%
2017	-	310,750	310,750	5.00%
2018	-	310,750	310,750	5.00%
2019	-	310,750	310,750	5.00%
2020	-	310,750	310,750	5.00%
2021	-	310,750	310,750	5.00%
2022	-	310,750	310,750	5.00%
2023	-	310,750	310,750	5.00%
2024	-	310,750	310,750	5.00%
2025	-	310,750	310,750	5.00%
2026	-	310,750	310,750	5.00%
2027	-	310,750	310,750	5.00%
2028	-	310,750	310,750	5.00%
2029	-	310,750	310,750	5.00%
2030	-	310,750	310,750	5.00%
2031	240,000	304,750	544,750	5.00%
2032	1,385,000	264,125	1,649,125	5.00%
2033	1,455,000	193,125	1,648,125	5.00%
2034	1,530,000	118,500	1,648,500	5.00%
2035	1,605,000	40,125	1,645,125	5.00%
Total	$ 6,215,000	$ 7,135,625	$ 13,350,625	

General Obligation Alternate Revenue Bonds, Series 2005A – The Village Board authorized the issuance of $4,165,000 General Obligation Bonds (Alternate Revenue Source), Series 2005A, dated January 1, 2005. The bonds were issued to provide funds for certain land acquisition and site preparation costs within the Downtown Franklin Avenue TIF, to fund certain capitalized interest on the bonds, and to fund certain costs associated with the issuance of the bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF funds. The principal and interest payments to maturity at July 1, 2024 are as follows:

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 135,000	$ 197,748	$ 332,748	5.00%
2012	140,000	190,998	330,998	5.00%
2013	145,000	183,998	328,998	5.00%
2014	180,000	177,328	357,328	4.60%
2015	190,000	170,848	360,848	3.60%
2016	195,000	163,818	358,818	3.70%
2017	240,000	156,310	396,310	3.85%
2018	250,000	146,950	396,950	3.90%
2019	260,000	136,950	396,950	4.00%
2020	310,000	122,650	432,650	4.00%
2021	325,000	105,600	430,600	4.00%
2022	340,000	87,725	427,725	4.00%
2023	400,000	69,025	469,025	4.20%
2024	415,000	47,025	462,025	4.20%
2025	440,000	12,100	452,100	4.30%
Total	$ 3,965,000	$ 1,969,073	$ 5,934,073	

General Obligation Alternate Revenue Bonds, Series 2006 – The Village Board authorized the issuance of $9,500,000 General Obligation Bonds (Alternative Revenue Source), Series 2006. The bonds were issued to refund in advance of their respective maturities $8,650,000 in aggregate principal of the Village's General Obligation Bonds, (Alternative Revenue Source), Series 2004A and pay costs of $850,000 associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2030 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ -	$ 380,000	$ 380,000	4.00%
2012	40,000	379,200	419,200	4.00%
2013	40,000	377,600	417,600	4.00%
2014	45,000	375,900	420,900	4.00%
2015	45,000	374,100	419,100	4.00%
2016	50,000	372,200	422,200	4.00%
2017	50,000	370,200	420,200	4.00%
2018	50,000	368,200	418,200	4.00%
2019	55,000	366,100	421,100	4.00%
2020	55,000	363,900	418,900	4.00%
2021	60,000	361,600	421,600	4.00%
2022	60,000	359,200	419,200	4.00%
2023	65,000	356,700	421,700	4.00%
2024	985,000	335,700	1,320,700	4.00%
2025	1,030,000	295,400	1,325,400	4.00%
2026	1,070,000	253,400	1,323,400	4.00%
2027	1,110,000	209,800	1,319,800	4.00%
2028	1,160,000	164,400	1,324,400	4.00%
2029	1,205,000	117,100	1,322,100	4.00%
2030	1,255,000	67,900	1,322,900	4.00%
2031	1,070,000	21,400	1,091,400	4.00%
Total	$ 9,500,000	$ 6,270,000	$ 15,770,000	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2007 – The Village Board authorized the issuance of $8,155,000 General Obligation Bonds (Alternative Revenue Source), Series 2007. The bonds were issued to assist the Village in upgrading and/or expanding the Franklin Park Mall located within the Grand-Mannheim TIF District, and the West Mannheim Residential TIF District and the Resurrection TIF District (collectively the "TIF Districts"); to fund certain capitalized interest on the Bonds; to fund in part a Debt Service Reserve Fund; and to fund certain costs associated with the issuance of the Bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF Districts. The principal and interest payments to maturity at January 1, 2023 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 310,000	$ 357,060	$ 667,060	3.90%
2012	320,000	344,970	664,970	4.00%
2013	415,000	332,170	747,170	4.05%
2014	435,000	315,363	750,363	4.10%
2015	450,000	297,528	747,528	4.20%
2016	555,000	278,626	833,626	5.50%
2017	580,000	248,101	828,101	4.40%
2018	610,000	222,583	832,583	4.45%
2019	725,000	195,436	920,436	4.50%
2020	760,000	162,813	922,813	4.60%
2021	795,000	127,853	922,853	4.70%
2022	930,000	90,488	1,020,488	4.75%
2023	975,000	46,313	1,021,313	4.75%
Total	$ 7,860,000	$ 3,019,304	$ 10,879,304	

Capital Lease – The Village leases equipment through various leases with lease terms through April 2018. The capitalized cost of $1,706,219 less accumulated depreciation of $606,525 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2010 was $284,995. Remaining principal and interest payments are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 302,007	$ 46,891	$ 348,898
2012	263,764	34,304	298,068
2013	263,985	22,558	286,563
2014	88,594	13,578	102,172
2015	92,760	9,410	102,170
2016	28,955	5,045	34,000
2017	30,547	3,453	34,000
2018	32,228	1,772	34,000
	$ 1,102,840	$ 137,031	$ 1,239,871

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004B – The Village Board authorized the issuance of $ 20,135,000 General Obligation Refunding Bonds Alternative Revenue Source), Series 2004B, dated April 1, 2004. The bonds were issued to refund a portion of the Village's outstanding General Obligation Alternate Revenue Source Bonds, Series 1993, and to pay the costs of issuance of the 2004B Bonds. Bonds maturing on or after July 1, 2014 are callable at the option of the Village on any date on or after January 1, 2014, at a price of par plus accrued interest. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2022 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 840,000	$ 783,750	$ 1,623,750	4.00%
2012	1,030,000	746,350	1,776,350	5.00%
2013	1,085,000	698,625	1,783,625	5.00%
2014	1,135,000	643,125	1,778,125	5.00%
2015	1,190,000	585,000	1,775,000	5.00%
2016	1,250,000	524,000	1,774,000	5.00%
2017	1,315,000	459,875	1,774,875	5.00%
2018	1,380,000	392,500	1,772,500	5.00%
2019	1,450,000	321,750	1,771,750	5.00%
2020	1,520,000	247,500	1,767,500	5.00%
2021	1,590,000	169,750	1,759,750	5.00%
2022	1,675,000	88,125	1,763,125	5.00%
2023	925,000	23,125	948,125	5.00%
Total	$ 16,385,000	$ 5,683,475	$ 22,068,475	

Illinois Environmental Protection Agency Loan – L17-0848 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $2,634,735 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.36%. Payments on the loan commenced on January 1, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at July 1, 2014 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 165,926	$ 25,236	$ 191,162
2012	171,547	19,614	191,161
2013	177,360	13,802	191,162
2014	183,369	7,792	191,161
2015	94,001	1,579	95,580
	$ 792,203	$ 68,023	$ 860,226

Illinois Environmental Protection Agency Loan – L17-0924 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $4,553,800 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.82%. Payments on this loan commenced on February 24, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at September 15, 2016 are as follows:

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 262,786	$ 50,158	$ 312,944
2012	270,235	42,709	312,944
2013	277,896	35,048	312,944
2014	285,774	27,170	312,944
2015	293,875	19,069	312,944
2016	302,205	10,739	312,944
2017	154,300	2,173	156,473
	$ 1,847,071	$ 187,066	$ 2,034,137

Illinois Environmental Protection Agency Loan – L17-0925 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,523,912 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.15%. Payments on this loan commenced on November 7, 1997 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at May 15, 2017 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 198,467	$ 50,467	$ 248,934
2012	204,768	44,166	248,934
2013	211,269	37,665	248,934
2014	217,977	30,958	248,935
2015	224,897	24,037	248,934
2016	232,037	16,897	248,934
2017	239,406	9,531	248,937
2018	122,537	1,930	124,467
	$ 1,651,358	$ 215,651	$ 1,867,009

Illinois Environmental Protection Agency Loan – L17-1161 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,683,905 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.63%. Payments on this loan commenced on June 1, 2001 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at December 1, 2019 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 194,424	$ 56,286	$ 250,710
2012	199,562	51,148	250,710
2013	204,835	45,875	250,710
2014	210,247	40,463	250,710
2015	215,801	34,909	250,710
2016	221,504	29,206	250,710
2017	227,356	23,354	250,710
2018	233,364	17,346	250,710
2019	239,529	11,181	250,710
2020	245,858	4,852	250,710
	$ 2,192,480	$ 314,620	$ 2,507,100

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2010, the equalized assessed valuation of the Village is $998,467,011 and the legal debt margin is $82,373,529. The Village is in compliance with this requirement.

Debt Covenants: The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. As of 4/30/10, the Village did not complete its 2009 filing. The Village completed the 2009 filing in March 2011. However, no action has been taken against the Village compelling compliance with the debt covenants as of the date of this audit report.

NOTE 5 – SHORT-TERM DEBT

The Village took out a line of credit on October 4, 2009 for $2,000,000 at an interest rate of 4.00%. The Village drew down $2,000,000 on this line of credit on October 31, 2009. The Line of Credit is scheduled to be repaid on October 13, 2010. A total of $38,444 of interest was paid through April 30, 2010. A summary of the short-term debt activity is as follows:

Balance 5/1/2009	Additions	Deductions	Balance 4/30/2010
$ -	$ 2,000,000	$ -	$ 2,000,000

See Note 13 for additional information regarding the extension of the Line of Credit by the Village subsequent to year end.

NOTE 6 – NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2010 total $15,449,071. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of non-commitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project
$2,400,000 note issued August 5, 2002, bearing interest at 9%. Principal balance as of April 30, 2010 is $1,925,763 plus unpaid accrued interest of $173,319 for a total amount due of $2,099,082. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of $2,400,000 replaced the original note in the amount of $1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project
$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2010 is $8,200,000 plus accrued interest of $5,149,989 for a total amount due of $13,349,989. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

NOTE 7 – INTERFUNDS AND TRANSFERS

The interfunds are a result of the cash loans between the funds. The transfer is the result of the closing of the South Industrial TIF Fund.

	Due from other funds	Due to other funds
General Corporate		
Nonmajor Governmental	$ 680,205	$ -
Water	-	780,000
Sewer	-	420,000
Total General Corporate	680,205	1,200,000
Working Cash		
Nonmajor Governmental	685,000	-
Total Working Cash	685,000	-
Nonmajor Governmental		
General Corporate	-	680,205
Working Cash	-	685,000
Nonmajor Governmental	1,121,383	1,121,383
Water	-	400,000
Total Nonmajor Governmental	1,121,383	2,886,588
Water		
General Corporate	780,000	
Nonmajor Governmental	400,000	-
Total Water	1,180,000	-
Sewer		
General Corporate	420,000	-
Total Sewer	420,000	-
Total	$ 4,086,588	$ 4,086,588

	Transfers in	Transfers out
General Corporate		
Nonmajor Governmental	$ -	$ 1,468
Total General Corporate	-	1,468
Nonmajor Governmental		
General Corporate	1,468	-
Nonmajor Governmental	1,658,404	1,658,404
Total Nonmajor Governmental	1,659,872	1,658,404
Total	$ 1,659,872	$ 1,659,872

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund – Regular Plan

Plan Description: The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 5.25% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2009, the Village's annual pension cost of $169,047 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2009	$ 169,047	100%	$ -
December 31, 2008	212,080	100%	-
December 31, 2007	232,278	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 82.17 percent funded. The actuarial accrued liability for benefits was $9,345,809 and the actuarial value of assets was $7,679,559, resulting in an under funded actuarial accrued liability (UAAL) of $1,666,250. The covered payroll (annual payroll of active employees covered by the plan) was $3,219,952 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of the investments over a five-year period with a 20% corridor between the actuarial and market value of the assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Illinois Municipal Retirement Fund – Sheriff's Law Enforcement Personnel

Plan Description: The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 14.03% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2009, the Village's annual pension cost of $6,048 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2009	$ 6,048	100%	$ -
December 31, 2008	13,072	100%	-
December 31, 2007	11,978	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 27 years.

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 246.44 percent funded. The actuarial accrued liability for benefits was $24,797 and the actuarial value of assets was $61,109, resulting in an over funded actuarial accrued liability (UAAL) of $36,312. The covered payroll (annual payroll of active employees covered by the plan) was $43,111 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of the investments over a five-year period with a 20% corridor between the actuarial and market value of the assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Plan

Plan Description: Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

The Police Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	44
Current Employees Vested and Nonvested	33
	87

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	30.92%, 9.91%
Annual Pension Cost	$1,390,042
Contributions Made	$964,382
Actuarial Valuation Date	April 30, 2010
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,372,467
Interest on Net Pension Obligation	59,929
Adjustment to Annual Required Contribution	(42,354)
Annual Pension Cost	1,390,042
Actual Contributions	964,382
Increase in Net Pension Obligation	425,660
Net Pension Obligation as of April 30, 2009	856,130
Net Pension Obligation as of April 30, 2010	$ 1,281,790

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2010	$ 1,390,042	69.4%	$ 1,281,790
April 30, 2009	1,381,867	68.7%	856,130
April 30, 2008	1,303,427	67.5%	423,632

Firefighter's Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Firefighter's Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighter's Pension Plan may be obtained by writing the Village.

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2009 (the latest information available), the Firefighter's Pension Plan membership consisted of:

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	45
Current Employees Vested and Nonvested	43
	88

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firefighter's Pension Plan is fully funded by the year 2033.

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	31.495%, 9.91%
Annual Pension Cost	$1,349,011
Contributions Made	$1,033,165
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,340,658
Interest on Net Pension Obligation	26,352
Adjustment to Annual Required Contribution	(17,999)
Annual Pension Cost	1,349,011
Actual Contributions	1,033,165
Increase in Net Pension Obligation	315,846
Net Pension Obligation as of April 30, 2009	775,866
Net Pension Obligation as of April 30, 2010	$ 1,091,712

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2010	$ 1,349,011	76.6%	$ 1,091,712
April 30, 2009	1,349,011	70.4%	775,866
April 30, 2008	1,297,715	73.8%	376,462

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village's exposure has not exceeded insurance coverage for the past three years. These risks are provided for through insurance from private insurance companies. In addition, the Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

NOTE 10 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF Districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenues were $1,665,101 and $3,275,488, respectively.

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description: The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF must be at least 55 years old, have at least 8 years of credited service and no longer work in a position that qualifies for participation in IMRF. For Police Pension Plan and Firefighter's Pension Plan members, employees must at least 50 years old and have at least 20 years of credited service.

Funding Policy: Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was $413,082 for 2010.

At April 30, 2009 (the latest information available), the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	38
Current Employees Vested and Nonvested	139
	177

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost method,* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2010, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual Required Contribution	$ 1,925,151
Interest on OPEB	-
Annual OPEB Cost	1,925,151
Contributions	413,082
Increase (Decrease) in OPEB	1,512,069
OPEB at April 30, 2009	1,577,993
OPEB at April 30, 2010	$ 3,090,062

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the three preceding years were as follows:

Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
4/30/2010	$ 1,925,151	21.5%	$ 3,090,062
4/30/2009	1,925,151	18.0%	1,577,933
4/30/2008	n/a	n/a	n/a

April 30, 2009 was the first year an actuarial valuation was performed.

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funded Status and Funding Progress: As of April 30, 2009, the plan was unfunded. The actuarial accrued liability for benefits was $18,816,415. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2009 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3% investment rate of return, a 3% inflation rate and an annual healthcare cost trend rate of 4.33% - 11.81% initially, reduced by decrements to an ultimate rate of 5.00% - 8.00%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2009. The UAAL is being amortized as a level dollar percentage of projected payroll on a open basis. The remaining amortization period at April 30, 2009, was 30 years.

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, to unallocated insurance contracts improve to the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The Statement provides guidance regarding recognition by the Transferor of the appropriate assets and liabilities and revenue recognition. This Statement also provides guidance for governments that are operators in an SCA. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 with early application encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for a governmental financial reporting entity by amending the requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity by adding additional criteria that must be met. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012, with earlier application encouraged.

Management has not determined the impact these statements will have on the financial position and results of operations of the Village.

NOTE 13 - SUBSEQUENT EVENTS

On October 14, 2010, the line of credit the Village obtained during the fiscal year was increased by $500,000 which the Village drew down. The line of credit is due to be repaid on October 13, 2011.

On August 25, 2010, the Village obtained a general obligation note from a separate lending institution for $3,000,000. The note has an interest rate of 70% times the aggregate of One-Month LIBOR plus 2.5% and is due on March 1, 2011 or 6 months after the final closing. The Village has not closed this note to date. As such, the final maturity date for the note has not yet been determined.

NOTE 14 - PRIOR PERIOD RESTATEMENTS

During 2010, management identified certain insurance funds still titled in the Village's name that were expensed in prior years. These funds ($716,987) have been recorded as an asset and an increase in fund balance as of the beginning of the year as noted below:

General Corporate Fund	
Fund balance as previously reported as of May 1, 2009	$ (5,393,376)
To record other assets not previously reported	(716,987)
Restated fund balance as of May 1, 2009	$ (4,676,389)
Governmental Activities	
Net assets as previously reported as of May 1, 2009	$ 21,170,676
To record other assets not previously reported	716,987
Restated net assets as of May 1, 2009	$ 21,887,663

NOTE 15 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION

As discussed in detail in the Management's Discussion & Analysis, the Village has suffered severe financial distress that is being addressed by the new administration. A new financial management team was charged with clarifying the village's financial position, assuring its continued liquidity, developing a budget based on realistic cash flow projections and ultimately achieving financial stability. Though still challenging, the Village's financial picture has gradually improved over the past two years. In the fiscal year just completed, FY 2011, it appears that the 11 year trend of declining general fund balance has been reversed. Though the precise amount of progress made in this area awaits the outcome of the FY 2011 audit, the village's negative fund balance position appears to have been cut by upwards of one million dollars. Related to this, the village showed an increase in yearend cash balances approximating two million dollars. This will allow the village to meet its ongoing obligations to vendors and others in a more timely manner than last year. These gains are attributable to a number of actions taken by the new administration since assuming office. On the revenue side, those several revenue sources that could be enhanced were (i.e.,, refuse collection, vehicle registration, non-abatement of three property tax levies and TIF management fees), and expenditure reductions (mostly in payroll and benefits) were instituted as well.

The specific revenue enhancements were:

- A refuse collection fee, which generates about $1.2 million annually was imposed,
- Increased vehicle registration fees added $63 thousand.
- Several property tax levies that had previously been abated were not, generating an additional $3.5 million in cash flow. It is anticipated that these levies will continue unabated for the next several years.
- A long-dormant receivables collection process is being revived and is expected to generate about $500 thousand in aged receivables.

Expenditure reductions were also undertaken.

- Both police and fire personnel were reduced by attrition and without incident, saving some $450 thousand annually.
- Both salary and hiring freezes were imposed, and the existing workforce is now supplemented on an as needed basis with part time and/or temporary personnel, thereby avoiding the costs of benefits.
- Water and sewer billing, previously done in-house has been shifted to a vendor, saving an estimated $17 thousand annually, primarily in personnel costs.

(Continued)

NOTE 15 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION (Continued)

Overall, it is expected that the village's financial health will continue to improve over the next several years despite some serious headwinds. Chief among these is the national economy and its impact on economically sensitive revenues, such as income and sales taxes as well as building permit revenues. It is not clear when the economy will fully recover, and the village will continue to meet the challenges posed by depressed revenues in these and related areas.

VILLAGE OF FRANKLIN PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL CORPORATE FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 10,026,966	$ 9,324,407	$ (702,559)
Sales taxes	2,800,000	2,403,228	(396,772)
Income taxes	1,800,000	1,474,908	(325,092)
Utility taxes	2,428,000	2,073,897	(354,103)
Other taxes	2,300,415	1,948,484	(351,931)
Licenses, permits and fees	2,423,800	1,255,180	(1,168,620)
Grant revenue	874,500	216,352	(658,148)
Other revenue	817,110	607,527	(209,583)
Fines and forfeitures	805,500	942,587	137,087
Investment income	30,000	2,804	(27,196)
Charges for services	1,217,020	897,672	(319,348)
Total revenues	25,523,311	21,147,046	(4,376,265)
Expenditures			
Current			
General government	6,190,751	4,871,201	(1,319,550)
Public safety	11,045,858	12,061,255	1,015,397
Highway and street	2,655,855	1,854,959	(800,896)
Public health	327,440	275,833	(51,607)
Community development	572,110	528,339	(43,771)
Building department	1,458,750	858,240	(600,510)
Debt service			
Interest and other charges	-	38,444	38,444
Capital outlay	1,295,896	834,276	(461,620)
Total expenditures	23,546,660	21,322,547	(2,224,113)
Excess (deficiency) of revenues over (under) expenditures	1,976,651	(175,501)	(2,152,152)
Other financing sources (uses)			
Transfers out	-	(1,468)	(1,468)
Proceeds from capital lease	-	92,889	92,889
Proceeds from the sale of fixed assets	500	-	(500)
Total other financing sources (uses)	500	91,421	90,921
Net changes in fund balances	$ 1,977,151	(84,080)	$ (2,061,231)
Fund balances at beginning of year as restated		(4,676,389)	
Fund balances at end of year		$ (4,760,469)	

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the following funds:
    - Working Cash Fund
    - Foreign Fire Insurance Premium Fund
    - Police Department 1505 Fund
    - Unclaimed Rebates Fund
    - Special Service Area #4 Fund
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2010:

Fund	Amount
911 Emergency Surcharge Tax Fund	$ 316,869

VILLAGE OF FRANKLIN PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
April 30, 2010

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR						
12/31/2009	$ 7,679,559	$ 9,345,809	$ 1,666,250	82.2%	$ 3,219,952	51.7%
12/31/2008	7,583,533	9,303,361	1,719,828	81.5%	3,267,804	52.6%
12/31/2007	9,829,165	8,307,462	(1,521,703)	118.3%	2,910,755	-52.3%
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL						
12/31/2009	$ 61,109	$ 24,797	$ (36,312)	246.4%	$ 43,111	-84.2%
12/31/2008	52,363	29,353	(23,010)	178.4%	94,454	-24.4%
12/31/2007	32,265	10,726	(21,539)	300.8%	81,872	-26.3%
POLICE PENSION FUND						
4/30/2010	$ 19,004,820	$ 40,191,355	$ 21,186,535	47.3%	$ 3,119,156	679.2%
4/30/2008	19,370,974	37,894,385	18,523,411	51.1%	3,280,940	564.6%
4/30/2007	19,330,483	36,849,658	17,519,175	52.5%	3,350,352	522.9%

Note: Information as of 4/30/09 for the Police Pension Fund not available.

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5)
FIREFIGHTER'S PENSION FUND						
4/30/2009	$ 17,458,475	$ 38,257,435	$ 20,798,960	45.6%	$ 3,015,057	689.8%
4/30/2008	20,222,441	37,079,485	16,857,044	54.5%	2,998,553	562.2%
4/30/2007	20,164,957	35,255,525	15,090,568	57.2%	3,106,223	485.8%

Note: Information as of 4/30/10 for the Fire Pension Fund not available.

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5)
OTHER POST EMPLOYMENT BENEFITS						
4/30/2009	$ -	$ 18,816,415	$ 18,816,415	0.0%	Not available	Not available

Note: 2009 was the first actuarial valuation for other post employment benefits and is the latest information available.

VILLAGE OF FRANKLIN PARK ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
April 30, 2010

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR				
12/31/2009	$ 169,047	$ 169,047	100%	$ -
12/31/2008	212,080	212,080	100%	-
12/31/2007	232,278	232,278	100%	-
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL				
12/31/2009	$ 6,048	$ 6,048	100%	$ -
12/31/2008	13,072	13,072	100%	-
12/31/2007	11,978	11,978	100%	-
POLICE PENSION FUND				
4/30/2010	$ 964,382	$ 1,390,042	69.38%	$ 1,281,790
4/30/2009	949,369	1,381,867	68.70%	856,130
4/30/2008	879,795	1,303,427	67.50%	423,632
FIREFIGHTER'S PENSION FUND				
4/30/2010	$ 1,033,165	$ 1,349,011	76.59%	$ 1,091,712
4/30/2009	949,607	1,349,011	70.39%	775,866
4/30/2008	957,265	1,297,715	73.77%	376,462
OTHER POST EMPLOYMENT BENEFITS				
4/30/2010	$ 413,082	$ 1,925,151	21.46%	$ 3,090,062
4/30/2009	347,158	1,925,151	18.03%	1,577,993

Note: 2009 was the first actuarial valuation for other post employment benefits.

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets				
Cash	$ 6,030,675	$ 2,392,872	$ 793,820	$ 9,217,367
Investments	1,298,484	487,031	-	1,785,515
Property taxes receivable	-	2,061,686	-	2,061,686
Accrued interest	330	-	-	330
Accounts receivable	238,551	-	-	238,551
Interfund receivable	1,121,383	-	-	1,121,383
Total assets	$ 8,689,423	$ 4,941,589	$ 793,820	$ 14,424,832
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 2,080,786	$ 837,820	$ -	$ 2,918,606
Accounts payable	223,407	1,060,756	1,138,499	2,422,662
Accrued payroll	4,192	-	-	4,192
Deferred property tax revenue	-	2,045,210	-	2,045,210
Interfund payables	1,765,205	1,121,383	-	2,886,588
Total liabilities	4,073,590	5,065,169	1,138,499	10,277,258
Fund balances				
Reserved for interfunds	1,121,383	-	-	1,121,383
Reserved for public safety	742,781	-	-	742,781
Reserved for highway and streets	3,556,754	-	-	3,556,754
Reserved for community development	2,728,045	-	-	2,728,045
Reserved for debt service	-	1,549,809	-	1,549,809
Reserved for capital projects	-	-	313,589	313,589
Unreserved - special revenue funds	(3,533,130)	-	-	(3,533,130)
Unreserved - debt service funds	-	(1,673,389)	-	(1,673,389)
Unreserved - capital projects funds	-	-	(658,268)	(658,268)
Total fund balances	4,615,833	(123,580)	(344,679)	4,147,574
Total liabilities and fund balances	$ 8,689,423	$ 4,941,589	$ 793,820	$ 14,424,832

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Property taxes	$ 2,430,390	$ 3,025,643	$ -	$ 5,456,033
Other taxes	540,231	-	-	540,231
Grant revenue	8,742	-	201,154	209,896
Other revenue	291	-	-	291
Fines and forfeitures	455,884	-	-	455,884
Investment income	3,891	238	-	4,129
Charges for services	847,662	-	-	847,662
Total revenues	4,287,091	3,025,881	201,154	7,514,126
Expenditures				
Current				
General government	303,620	456,732	658,268	1,418,620
Public safety	405,189	-	-	405,189
Highway and street	320,482	-	-	320,482
Public health	1,529,838	-	-	1,529,838
Community development	323,907	2,093,911	-	2,417,818
Debt service				
Principal	-	470,000	-	470,000
Interest and other charges	-	1,463,266	-	1,463,266
Capital outlay	57,918	-	201,154	259,072
Total expenditures	2,940,954	4,483,909	859,422	8,284,285
Excess (deficiency) of revenues over (under) expenditures	1,346,137	(1,458,028)	(658,268)	(770,159)
Other financing sources				
Transfers in	-	1,659,872	-	1,659,872
Transfers out	(1,658,404)	-	-	(1,658,404)
Proceeds from the sale of fixed assets	415,408	-	-	415,408
Total other financing sources	(1,242,996)	1,659,872	-	416,876
Net changes in fund balances	103,141	201,844	(658,268)	(353,283)
Fund balances at beginning of year	4,512,692	(325,424)	313,589	4,500,857
Fund balances at end of year	$ 4,615,833	$ (123,580)	$ (344,679)	$ 4,147,574

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2010

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Assets						
Cash	$ 60,146	$ 425,501	$ 249,100	$ -	$ -	$ 1,372,107
Investments	-	-	-	-	-	-
Accrued interest	330	-	-	-	-	-
Accounts receivable	-	-	-	196,396	-	42,155
Interfund receivables	-	-	-	-	-	-
Total assets	$ 60,476	$ 425,501	$ 249,100	$ 196,396	$ -	$ 1,414,262
Liabilities and fund balances						
Liabilities						
Cash overdraft liability	$ -	$ -	$ -	$ 1,637,083	$ 49,992	$ -
Accounts payable	-	-	-	118,913	-	51,747
Accrued payroll	-	-	95	4,097	-	-
Interfund payables	-	-	-	-	-	-
Total liabilities	-	-	95	1,760,093	49,992	51,747
Fund balances						
Reserved for interfunds	-	-	-	-	-	-
Reserved for public safety	60,476	425,501	249,005	-	-	-
Reserved for highway and streets	-	-	-	-	-	1,362,515
Reserved for community development	-	-	-	-	-	-
Unreserved	-	-	-	(1,563,697)	(49,992)	-
Total fund balances	60,476	425,501	249,005	(1,563,697)	(49,992)	1,362,515
Total liabilities and fund balances	$ 60,476	$ 425,501	$ 249,100	$ 196,396	$ -	$ 1,414,262

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ 144,634	$ 7,799	$ 2,222,255	$ 104,327	$ 261,259	$ 1,183,547	$ -	$ 6,030,675
-	-	-	837,116	-	461,368	-	1,298,484
-	-	-	-	-	-	-	330
-	-	-	-	-	-	-	238,551
-	-	-	-	-	1,121,383	-	1,121,383
$ 144,634	$ 7,799	$ 2,222,255	$ 941,443	$ 261,259	$ 2,766,298	$ -	$ 8,689,423
$ -	$ -	$ -	$ -	$ -	$ -	$ 393,711	$ 2,080,786
-	-	28,016	5,276	1,959	632	16,864	223,407
-	-	-	-	-	-	-	4,192
-	-	-	-	-	111,705	1,653,500	1,765,205
-	-	28,016	5,276	1,959	112,337	2,064,075	4,073,590
-	-	-	-	-	1,121,383	-	1,121,383
-	7,799	-	-	-	-	-	742,781
-	-	2,194,239	-	-	-	-	3,556,754
-	-	-	936,167	259,300	1,532,578	-	2,728,045
144,634	-	-	-	-	-	(2,064,075)	(3,533,130)
144,634	7,799	2,194,239	936,167	259,300	2,653,961	(2,064,075)	4,615,833
$ 144,634	$ 7,799	$ 2,222,255	$ 941,443	$ 261,259	$ 2,766,298	$ -	$ 8,689,423

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2010

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Revenues						
Property taxes	$ -	$ -	$ -	$ 591,006	$ 86,163	$ -
Other taxes	49,227	-	-	-	-	491,004
Grant revenue	-	-	-	-	-	8,742
Other revenue	100	-	-	-	-	191
Fines and forfeitures	-	455,884	-	-	-	-
Investment income	528	75	2,751	183	25	-
Charges for services	-	-	323,104	514,558	-	-
Total revenues	49,855	455,959	325,855	1,105,747	86,188	499,937
Expenditures						
Current						
General government	-	-	-	-	211,805	-
Public safety	21,349	65,071	318,769	-	-	-
Highway and street	-	-	-	-	-	296,955
Public health	-	-	-	1,529,838	-	-
Community development	-	-	-	-	-	-
Capital outlay	28,103	29,815	-	-	-	-
Total expenditures	49,452	94,886	318,769	1,529,838	211,805	296,955
Excess (deficiency) of revenues over (under) expenditures	403	361,073	7,086	(424,091)	(125,617)	202,982
Other financing sources (uses)						
Transfers out	-	-	-	-	-	-
Proceeds from the sale of fixed assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net changes in fund balances	403	361,073	7,086	(424,091)	(125,617)	202,982
Fund balances at beginning of year	60,073	64,428	241,919	(1,139,606)	75,625	1,159,533
Fund balances at end of year	$ 60,476	$ 425,501	$ 249,005	$ (1,563,697)	$ (49,992)	$ 1,362,515

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ -	$ 2,434	$ -	$ 1,260,819	$ 113,234	$ -	$ 376,734	$ 2,430,390
-	-	-	-	-	-	-	540,231
-	-	-	-	-	-	-	8,742
-	-	-	-	-	-	-	291
-	-	-	-	-	-	-	455,884
-	1	72	26	4	144	82	3,891
-	-	-	-	-	10,000	-	847,662
-	2,435	72	1,260,845	113,238	10,144	376,816	4,287,091
-	-	-	750	770	68,623	21,672	303,620
-	-	-	-	-	-	-	405,189
-	-	23,527	-	-	-	-	320,482
-	-	-	-	-	-	-	1,529,838
-	-	-	57,564	2,372	255,403	8,568	323,907
-	-	-	-	-	-	-	57,918
-	-	23,527	58,314	3,142	324,026	30,240	2,940,954
-	2,435	(23,455)	1,202,531	110,096	(313,882)	346,576	1,346,137
-	-	-	(1,047,908)	-	-	(610,496)	(1,658,404)
-	-	-	-	-	415,408	-	415,408
-	-	-	(1,047,908)	-	415,408	(610,496)	(1,242,996)
-	2,435	(23,455)	154,623	110,096	101,526	(263,920)	103,141
144,634	5,364	2,217,694	781,544	149,204	2,552,435	(1,800,155)	4,512,692
$ 144,634	$ 7,799	$ 2,194,239	$ 936,167	$ 259,300	$ 2,653,961	$ (2,064,075)	$ 4,615,833

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
911 EMERGENCY SURCHARGE TAX FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 2,751	$ 2,751
Charges for services	-	323,104	323,104
Total revenues	-	325,855	325,855
Expenditures			
Current			
Public safety	1,900	318,769	316,869
Total expenditures	1,900	318,769	316,869
Net changes in fund balances	$ (1,900)	7,086	$ 8,986
Fund balances at beginning of year		241,919	
Fund balances at end of year		$ 249,005	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GARBAGE FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 1,024,000	$ 591,006	$ (432,994)
Investment income	-	183	183
Charges for services	800	514,558	513,758
Total revenues	1,024,800	1,105,747	80,947
Expenditures			
Current			
Public health	1,546,665	1,529,838	(16,827)
Total expenditures	1,546,665	1,529,838	(16,827)
Net changes in fund balances	$ (521,865)	(424,091)	$ 97,774
Fund balances at beginning of year		(1,139,606)	
Fund balances at end of year		$ (1,563,697)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
IMRF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 175,000	$ 86,163	$ (88,837)
Investment income	-	25	25
Total revenues	175,000	86,188	(88,812)
Expenditures			
Current			
General government	275,000	211,805	(63,195)
Total expenditures	275,000	211,805	(63,195)
Net changes in fund balances	$ (100,000)	(125,617)	$ (25,617)
Fund balances at beginning of year		75,625	
Fund balances at end of year		$ (49,992)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MFT FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other taxes	$ 510,000	$ 491,004	$ (18,996)
Grant revenue	-	8,742	8,742
Other revenue	-	191	191
Total revenues	510,000	499,937	(10,063)
Expenditures			
Current			
Highway and street	940,000	296,955	(643,045)
Total expenditures	940,000	296,955	(643,045)
Net changes in fund balances	$ (430,000)	202,982	$ 632,982
Fund balances at beginning of year		1,159,533	
Fund balances at end of year		$ 1,362,515	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
EMERGENCY SERVICES AND DISASTER AGENCY FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 4,600	$ 2,434	$ (2,166)
Investment income	-	1	1
Total revenues	4,600	2,435	(2,165)
Expenditures	-	-	-
Net changes in fund balances	$ 4,600	2,435	$ (2,165)
Fund balances at beginning of year		5,364	
Fund balances at end of year		$ 7,799	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GARRA ALTERNATE SOURCE REFUNDING BONDS SERIES 2004A FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other revenue	$ 100,000	$ -	$ (100,000)
Investment income	100	72	(28)
Total revenues	100,100	72	(100,028)
Expenditures			
Current			
Highway and street	200,000	23,527	(176,473)
Total expenditures	200,000	23,527	(176,473)
Net changes in fund balances	$ (99,900)	(23,455)	$ 76,445
Fund balances at beginning of year		2,217,694	
Fund balances at end of year		$ 2,194,239	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
WEST MANNHEIM REDEVELOPING AREA TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 610,000	$ 1,260,819	$ 650,819
Investment income	-	26	26
Total revenues	610,000	1,260,845	650,845
Expenditures			
Current			
General government	30,000	750	(29,250)
Community development	36,000	57,564	21,564
Total expenditures	66,000	58,314	(7,686)
Excess (deficiency) of revenues over (under) expenditures	544,000	1,202,531	658,531
Other financing sources (uses)			
Transfers out	-	(1,047,908)	(1,047,908)
Total other financing sources (uses)	-	(1,047,908)	(1,047,908)
Net changes in fund balances	$ 544,000	154,623	$ (389,377)
Fund balances at beginning of year		781,544	
Fund balances at end of year		$ 936,167	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
BELMONT/RIVER TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 95,000	$ 113,234	$ 18,234
Investment income	-	4	4
Total revenues	95,000	113,238	18,238
Expenditures			
Current			
General government	12,000	770	(11,230)
Community development	10,000	2,372	(7,628)
Total expenditures	22,000	3,142	(18,858)
Net changes in fund balances	$ 73,000	110,096	$ 37,096
Fund balances at beginning of year		149,204	
Fund balances at end of year		$ 259,300	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MANNHEIM/GRAND TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 144	$ 144
Charges for services	29,500	10,000	(19,500)
Total revenues	29,500	10,144	(19,356)
Expenditures			
Current			
General government	35,000	68,623	33,623
Community development	503,000	255,403	(247,597)
Total expenditures	538,000	324,026	(213,974)
Excess (deficiency) of revenues over (under) expenditures	(508,500)	(313,882)	194,618
Other financing sources (uses)			
Proceeds from the sale of fixed assets	-	415,408	415,408
Total other financing sources (uses)	-	415,408	415,408
Net changes in fund balances	$ (508,500)	101,526	$ 610,026
Fund balances at beginning of year		2,552,435	
Fund balances at end of year		$ 2,653,961	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DOWNTOWN FRANKLIN AVENUE TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 340,000	$ 376,734	$ 36,734
Investment income	2,500	82	(2,418)
Total revenues	342,500	376,816	34,316
Expenditures			
Current			
General government	2,500	21,672	19,172
Community development	319,500	8,568	(310,932)
Total expenditures	322,000	30,240	(291,760)
Excess (deficiency) of revenues over (under) expenditures	20,500	346,576	326,076
Other financing sources (uses)			
Transfers out	-	(610,496)	(610,496)
Total other financing sources (uses)	-	(610,496)	(610,496)
Net changes in fund balances	$ 20,500	(263,920)	$ (284,420)
Fund balances at beginning of year		(1,800,155)	
Fund balances at end of year		$ (2,064,075)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2010

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Assets							
Cash	$ -	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ -	$ 2,392,872
Investments	297,552	-	-	-	-	189,479	487,031
Property taxes receivable	2,061,686	-	-	-	-	-	2,061,686
Total assets	$ 2,359,238	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ 189,479	$ 4,941,589
Liabilities and fund balances							
Liabilities							
Cash overdraft liability	$ 212,932	$ -	$ -	$ -	$ -	$ 624,888	$ 837,820
Accounts payable	4,880	-	300	938,384	595	116,597	1,060,756
Deferred property tax revenue	2,045,210	-	-	-	-	-	2,045,210
Interfund payables	-	-	-	-	-	1,121,383	1,121,383
Total liabilities	2,263,022	-	300	938,384	595	1,862,868	5,065,169
Fund balances							
Reserved for debt service	96,216	-	1,103,585	-	350,008	-	1,549,809
Unreserved	-	-	-	-	-	(1,673,389)	(1,673,389)
Total fund balances	96,216	-	1,103,585	-	350,008	(1,673,389)	(123,580)
Total liabilities and fund balances	$ 2,359,238	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ 189,479	$ 4,941,589

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended April 30, 2010

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Revenues							
Property taxes	$ 1,500,942	$ -	$ 741,817	$ -	$ 589,617	$ 193,267	$ 3,025,643
Investment income	220	-	-	-	16	2	238
Total revenues	1,501,162	-	741,817	-	589,633	193,269	3,025,881
Expenditures							
Current							
General government	9,294	-	-	-	-	447,438	456,732
Community development	-	-	289,446	-	412,462	1,392,003	2,093,911
Debt service							
Principal	470,000	-	-	-	-	-	470,000
Interest and other charges	1,463,266	-	-	-	-	-	1,463,266
Total expenditures	1,942,560	-	289,446	-	412,462	1,839,441	4,483,909
Excess (deficiency) of revenues over (under) expenditures	(441,398)	-	452,371	-	177,171	(1,646,172)	(1,458,028)
Other financing sources							
Transfers in	1,658,404	1,468	-	-	-	-	1,659,872
Total other financing sources	1,658,404	1,468	-	-	-	-	1,659,872
Net changes in fund balances	1,217,006	1,468	452,371	-	177,171	(1,646,172)	201,844
Fund balances at beginning of year	(1,120,790)	(1,468)	651,214	-	172,837	(27,217)	(325,424)
Fund balances at end of year	$ 96,216	$ -	$ 1,103,585	$ -	$ 350,008	$ (1,673,389)	$ (123,580)

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CORPORATE BOND AND INTEREST FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 83,000	$ 1,500,942	$ 1,417,942
Investment income	-	220	220
Total revenues	83,000	1,501,162	1,418,162
Expenditures			
Current			
General government	5,000	9,294	4,294
Principal	3,407,405	470,000	(2,937,405)
Interest and other charges	-	1,463,266	1,463,266
Total expenditures	3,412,405	1,942,560	(1,469,845)
Excess (deficiency) of revenues over (under) expenditures	(3,329,405)	(441,398)	2,888,007
Other financing sources (uses)			
Transfers in	-	1,658,404	1,658,404
Total other financing sources (uses)	-	1,658,404	1,658,404
Net changes in fund balances	$ (3,329,405)	1,217,006	$ 4,546,411
Fund balances at beginning of year		(1,120,790)	
Fund balances at end of year		$ 96,216	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LIFE/FITNESS REEBIE STORAGE TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 685,000	$ 741,817	$ 56,817
Total revenues	685,000	741,817	56,817
Expenditures			
Current			
General government	5,000	-	(5,000)
Community development	483,000	289,446	(193,554)
Total expenditures	488,000	289,446	(198,554)
Excess (deficiency) of revenues over (under) expenditures	197,000	452,371	255,371
Net changes in fund balances	$ 197,000	452,371	$ 255,371
Fund balances at beginning of year		651,214	
Fund balances at end of year		$ 1,103,585	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
O'HARE EAST INDUSTRIAL TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 385,000	$ 589,617	$ 204,617
Investment income	-	16	16
Total revenues	385,000	589,633	204,633
Expenditures			
Current			
General government	5,000	-	(5,000)
Community development	443,500	412,462	(31,038)
Total expenditures	448,500	412,462	(36,038)
Net changes in fund balances	$ (63,500)	177,171	$ 240,671
Fund balances at beginning of year		172,837	
Fund balances at end of year		$ 350,008	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
RESURRECTION TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 48,000	$ 193,267	$ 145,267
Investment income	-	2	2
Total revenues	48,000	193,269	145,269
Expenditures			
Current			
General government	10,000	447,438	437,438
Community development	1,645,000	1,392,003	(252,997)
Total expenditures	1,655,000	1,839,441	184,441
Net changes in fund balances	$ (1,607,000)	(1,646,172)	$ (39,172)
Fund balances at beginning of year		(27,217)	
Fund balances at end of year		$ (1,673,389)	

COMBINING BALANCE SHEET
NONMAJOR CAPITAL FUNDS
April 30, 2010

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Total
Assets			
Cash	$ 480,231	$ 313,589	$ 793,820
Total assets	$ 480,231	$ 313,589	$ 793,820
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 1,138,499	$ -	$ 1,138,499
Total liabilities	1,138,499	-	1,138,499
Fund balances			
Reserved for capital projects		313,589	313,589
Unreserved	(658,268)	-	(658,268)
Total fund balances	(658,268)	313,589	(344,679)
Total liabilities and fund balances	$ 480,231	$ 313,589	$ 793,820

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPTIAL PROJECT FUNDS
Year Ended April 30, 2010

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Total
Revenues			
Grant revenue	$ 201,154	$ -	$ 201,154
Total revenues	201,154	-	201,154
Expenditures			
Current			
General government	658,268	-	658,268
Capital outlay	201,154	-	201,154
Total expenditures	859,422	-	859,422
Net changes in fund balances	(658,268)	-	(658,268)
Fund balances at beginning of year	-	313,589	313,589
Fund balances at end of year	$ (658,268)	$ 313,589	$ (344,679)

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SEYMOUR AVENUE CAPITAL PROJECTS FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Grant revenue	$ -	$ 201,154	$ 201,154
Other revenue	500	-	(500)
Total revenues	500	201,154	200,654
Expenditures			
Current			
General government	5,000	658,268	653,268
Capital outlay	870,154	201,154	(669,000)
Total expenditures	875,154	859,422	(15,732)
Net changes in fund balances	$ (874,654)	(658,268)	$ 216,386
Fund balances at beginning of year		-	
Fund balances at end of year		$ (658,268)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighter's Pension Fund	Total	Village Escrow Fund	Special Assessment Fund	Total
Assets						
Cash	$ 7,512	$ 29,473	$ 36,985	$ 19,961	$ 331,489	$ 351,450
Investments:						
Certificates of deposit	9,459,187	-	9,459,187	-	-	-
State and local obligations	-	918,081	918,081	-	-	-
US government and agency obligations	921,482	6,806,767	7,728,249	-	-	-
US government backed securities	-	1,929,136	1,929,136	-	-	-
Insurance contracts	6,400,973	5,027,994	11,428,967	-	-	-
Equity securities	-	1,691,770	1,691,770	-	-	-
Equity mutual funds	1,176,004	1,662,490	2,838,494	-	-	-
Money market mutual funds	994,999	998,403	1,993,402	-	-	-
Accrued interest receivable	46,268	68,211	114,479	-	-	-
Other receivable	-	-	-	-	419	419
Due from village	65,341	48,947	114,288	-	-	-
Prepaids	500	261	761	-	-	-
Total assets	19,072,266	19,181,533	38,253,799	$ 19,961	$ 331,908	$ 351,869
Liabilities						
Accounts payable	10,105	22,582	32,687	$ -	$ -	$ -
Deposits payable	-	-	-	19,961	331,908	351,869
Total liabilities	10,105	22,582	32,687	$ 19,961	$ 331,908	$ 351,869
Net assets						
Held in trust for pension benefits and other purposes	19,062,161	19,158,951	38,221,112			
Total net assets	$ 19,062,161	$ 19,158,951	$ 38,221,112			

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Police Pension Fund	Firefighter's Pension Fund	Total
Additions			
Contributions			
Employer	$ 1,007,098	$ 1,032,803	$ 2,039,901
Plan members	343,786	311,298	655,084
Total contributions	1,350,884	1,344,101	2,694,985
Net investment earnings	2,958,477	2,173,533	5,132,010
Total additions	4,309,361	3,517,634	7,826,995
Deductions			
Benefits	1,716,486	1,801,248	3,517,734
Administrative expenses	37,344	54,325	91,669
Total deductions	1,753,830	1,855,573	3,609,403
Change in net assets	2,555,531	1,662,061	4,217,592
Net assets - beginning of year	16,506,630	17,496,890	34,003,520
Net assets - end of year	$ 19,062,161	$ 19,158,951	$ 38,221,112

VILLAGE OF FRANKLIN PARK, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended April 30, 2010

	Balance May 1, 2009	Additions	Deletions	Balance April 30, 2010
Village Escrow Fund				
Assets				
Cash	$ 20,844	$ 12,150	$ (13,033)	$ 19,961
Total assets	$ 20,844	$ 12,150	$ (13,033)	$ 19,961
Liabilities				
Accounts payable	$ 883	$ 2,105	$ (2,988)	$ -
Deposits payable	19,961	14,255	(14,255)	19,961
Total liabilities	$ 20,844	$ 16,360	$ (17,243)	$ 19,961
Special Assessment Fund				
Assets				
Cash	$ 331,489	$ -	$ -	$ 331,489
Other receivable	419	-	-	419
Total assets	$ 331,489	$ -	$ -	$ 331,489
Liabilities				
Deposits payable	$ 331,908	$ -	$ -	$ 331,908
Total liabilities	$ 331,908	$ -	$ -	$ 331,908

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have examined the Village of Franklin Park, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2010. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

Our examination disclosed the following noncompliances with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2010. The Village did not hold a Joint Review Meeting, as required, during the fiscal year.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2010.

Crowe Horwath LLP
Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2011